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Future of the Credit Profession

Address to Pittsburgh Association of Credit Men

By S. C. McConahey

Acting Vice-Pres. and Treas., Westinghouse Air Brake Co. of Pittsburgh.

THE Einstein theory of the Relativity of Time and Space, whether or not it is yet a proved hypothesis, has at least fixed in the mass mind the idea and the fact that all things in the World and the Universe are subject to continual change. This conception is particularly appropriate and particularly true of the world of business—that world whose activities, and accomplishments so largely dominate—and so properly and so nearly control the destinies of the nations in this our present day.

In the very nature of human environment and necessities, man has set up from the beginning exchange processes. These systems have grown, developed and disappeared with the civilizations of history. Out of the ruins of each collapse there has risen a new and better evolution in learning, a broader application of the accumulated principles of science, a greater intelligence on the part of the people in meeting the problems and improving the conditions of life, and a gradual development in the interchange of human necessities and luxuries through all the stages of barter, trade, first domestic and later between nations; and finally, to that science we now call Business—a science and a system we have elevated to equality with the noble and learned professions; so that today to be a Business Man carries with it the idea of a certain peculiar practical shrewdness and capacity, and even the fragrance of a genuine superiority over the common or garden variety of college president, and those other professions that are cloistered and apart from this—the real Game of Life.

Business truly has now finally come into its own important place in a broader sense than ever before. Business—whether it be Transportation, Manufacturing, Merchandising, Mining, or Bank-

ing—is the fascinating occupation that absorbs the interest and energies not only of America but of all the great Powers among the nations. Indeed no nation is great today except it be great first as an economic factor.

They who know tell us that the material progress accomplished during the last fifty years has never been equalled in history; in communication, in invention, in the adaptations of power, in education, we have traveled far and fast. And the development of Business—with its processes, its organization, its mountainous volumes, its specialization and complexity, its usefulness to society, and, I may add, its ideals,—has expanded and developed in like rapid ratio, not merely in bulk or value of transactions or new wealth resulting, but in scientific economics, in the sense of responsibility and service and in the tremendous efficiency and productive capacity we have attained through organized large-scale enterprise.

THE BACKGROUND OF CREDIT WORK

So this is the background of Credit Work today. Here stands the Credit Man, "with reluctant feet" it may be, where "the brook" of the fifty years past is meeting the "river" of the next fifty years of accomplishment. For the inertia of rate of motion we have now acquired in progress and understanding and capacity cannot conceivably cease a moment or a century, but must sweep our own country and the world into higher and better levels of life for all the people,—in character and to an extent we can now only dimly imagine.

THE CREDIT MAN EVOLVED

But what is "Credit Work" and who is the "Credit Man?" If we may be permitted to speak in symbols, the Credit Man is that bright and shining crystal, that new element evolved under great

pressure from the hot fires of business needs and out of the crucible of business experience. He is that specialist—that analyst—that business critic, who with watchfulness and understanding guides and controls all the transactions of the market place. Prior to 1896 there was "no such animal;" but in that year the specimen was identified and classified at Toledo, Ohio. In the twenty-seven short years that have since elapsed the National Association of Credit Men has grown to a membership of thirty-three thousand with a most admirable and comprehensive program of research, investigation, and activity relating to the Science of Credit which is only a short way of saying the Science of Business as a whole; and to the working out of better methods, larger economies and higher standards in our business enterprises and relations.

Now we have attempted to visualize that above and beyond all other forms of human endeavor, Business—the Science of Exchange—today occupies the thought and energy of most of our people, and affects the prosperity and happiness of all of our people. And we propose to say that the Credit Man—or the Credit Engineer as Mr. Tregoe wants to call him—or the Modern Practical Business Economist as I prefer to think of him; is destined to become the dominant element in the formula of successful business co-ordinations during the next twenty-seven years. All things—men and movements are in a continuous state of evolution,—including the National Association of Credit Men, and the scope and influence and responsibility of the Credit Art. It is difficult if not impossible therefore, to discern any trend more clearly defined than that the Credit Scientist must continue to be not only an essential element in the shaping and conduct of business policy, but of constantly in-

creasing value and significance in the Executive Department and more largely than ever before *the court of last resort in practical scientific business opinion*. Modern business has become so complicated in its variety of forms, in its processes, in the extensions of its organization, in its endless problems of invention, production, merchandising, and regulation, that the judgment and insight and reasoning powers of the trained observer and thinker, of the analyst, of the statistician, of the interpreter of business situations, of the man who can best envisage business trends and future development, are demanded in larger measure with every year of this Twentieth Century that rolls by.

And so if I have a message, it is to emphasize to the Credit Men of today the tremendous and inevitable possibilities—nay, even certainties of tomorrow in that most fascinating and romantic field—the field of Business, and in the relation of the Practical Business Economist thereto.

FOUR QUALIFICATIONS FOR CREDIT MEN

First of all, the Credit Man should be able to see ahead—to read the future better than any other group engaged in business enterprises. Out of a well equipped historical background, a sound and balanced study of statistical data, an alert sense of the significance of business currents, and constant practical contact with men and events, should come the instinct to foresee accurately. It is a truism to say that foresight in our own personal affairs and in the successful conduct of any business is very little less than the first requirement. One of the real dangers that beset business enterprise today is that with the struggle and turmoil of the present hour that inadequate provision is made for the period five or even ten years ahead. So great a man as Secretary Hoover has recently said "Economic forecast cannot amount to more than a review of tendencies and a hazard in the future;" and yet in business we cannot wait to move or prepare until events actually happen. We must foresee with all the power we possess. And it must be admitted that each year sees progress in sound and accurate estimates of the future. Mr. Hoover's own Department of Commerce has done as much as any other recent agency through very prompt assembly of the current facts of production, distribution, and consumption to enable business men and Credit Men generally to foresee.

A second factor in the Credit Man's repertoire should be a very close acquaintance with the clearest thinking minds of his day. There are only a very few individuals in each generation who think in large spaces and in advance of their time. Let the Credit Man identify these clear thinking leading minds. He may well pay greater heed to every word they utter and less to the bewilderments and confusion of an endless list of those who think they know and understand but do so in merely a fragmentary fashion, or are so warped by partisan viewpoint or personal motive that what they say is not of material value as the basis for conclusion. Examples of such leaders in economic thought today are Secretary Hoover, Judge Gary and George E. Roberts of the National City Bank, Ex-President of the American Statistical Association,

and more recently active in the organization of the American Chamber of Economics. These men not only think clearly but express themselves with convincing force and clearness, and in so doing assist all the rest of us to define accurately in our own minds a sound and definite economic philosophy.

A third qualification for any Credit Man whose ambitions extend beyond the routine, is to know—really know and understand—the political and economic "drift" of judgment and opinion among the mass of people; not only locally but throughout the Nation and the world. The broad gauge business man of Pittsburgh, as a patriotic duty if nothing more, should understand the point of view of the farmer in the middle west, the source and extent of the so-called Non-Partisan Movement in the Dakotas, the social and political problems of the South, the peculiar agricultural, industrial and transportation problems of New England, the basis of prosperity and progress of the Pacific Coast, and so on. The real Practical Business Scientist of the next twenty-seven years will be able to understand if not anticipate such revulsion of political opinion as occurred in our last state elections, and the true significance of these reactions. He will sense ahead of most men the shift now taking place among the agricultural population toward the international viewpoint. He will carry in mind the basis and the power of the class appeal of the Gompers philosophy of more money for less work, as well as the contending and sounder theory that the only possible real and just distribution of wealth lies in production at such low cost that the largest possible number of people even down to the lowest ranges of income may share in the commodity produced, of which theory—the evolution of the Ford car is a perfect illustration. Living under a democratic form of government he will not forget the tremendous pressure of public opinion affecting legislation wisely or unwisely, nor that business is peculiarly sensitive and susceptible to the dominant social and political attitude. Appreciating underlying reasons and forces, he will be able to anticipate long before the average man, coming changes and conditions.

A fourth plank I would put under the future Credit Man's feet, is a profound knowledge of fundamentals and fundamental facts. Today there are so many books, so many speeches, so much conversation! All of us have much general information upon a very great variety of subjects—so much in fact that we are apt to be confused and bewildered and without direction or perspective. We run around blindly in circles with the instinct for action but no automatic governor. We have mental and judgmental indigestion because we do not know how to choose the right diet. We are apt to be superficial, narrow rather than broad. After all even a single track mind may be better than a badly jammed mental railroad yard. Do we that population, its growth, distribution and purchasing power, is absolutely fundamental as affecting the evolution of business; do we know that according to the last census this country has finally shifted from an agricultural to an industrial base, more than half the population depending upon other occupations than the cultivation of the land,—a situation that makes for less stable, more volatile conditions? Do we

realize the fundamental transition taking place in our social and economic order through the almost universal use of power? Do we appreciate how the public opinion and manner of thinking of the next fifty years is being moulded right now in the most wonderful public school system any country ever had and under the most comprehensive and complete theories of education and training? Do we know the primary facts of public debt totals, National, State and local, and the inevitable relation of the tax burden thereto, where the expenditure of public money should be increased and where limited? Do we know that we are at the beginning of a new epoch in distribution and transportation service through the unprecedented expansion of improved highways and the use of motor vehicles? Will you join me in the judgment that within five years the political complexion in this country will revert to the conservative rather than the radical viewpoint so far as sound business interests are concerned, through the fact of ownership of industrial and public utility securities by a voluntary and bona fide voting public? Have you weighed the fundamental significance of the fact that notwithstanding we think we are a nation of spenders, (and we are) there is an average of one and one-third savings accounts to every family in the United States.

DO NOT NEGLECT FUTURE FOR PRESENT

You will note I have not mentioned the regular and usual and more or less standardized sources of information and guidance such as bank clearings, failures, commodity indexes, security markets, car loadings, railroad earnings, crops, etc., all of which are of value and importance. I am taking time to mention only a few of those underlying factors that are now making future business history and to which the attention and study of the far-seeing Credit Man should be directed. For emphasis let me repeat that the man or the corporation or the industry that is concerned to Logotype largely with the immediate present and fails to anticipate or overlooks foreknowledge of and adequate preparation for the future, not only cannot succeed in the full measure of possibility but a burden of waste and neglected opportunity is imposed finally upon the consuming public where such burdens always rest.

The Credit Man of the next twenty-seven years must be not only a specialist but an all-round man in the prescribed field of analyzing, interpreting and forecasting business and business conditions.

It may be said that I have described a Super-Man. So be it. We know what two generations have actually accomplished in the last sixty years in physically subduing this country, in annihilating time and distance, in research, in the use of power, in education and a higher level of intelligence and in the expansion of businesses in the service of society. But even if we admit that we cannot duplicate this performance in the next sixty years, no one will maintain that progress and development will cease where it is now. The next two generations will develop the Super Business Man and Methods as compared with today, and likewise that Super Business Economist we know now simply as the Credit Man.

Insurance Truths Often Neglected

What a Credit Man Should Know About Insurance

By J. M. Harrison

Conklin, Zonne & Harrison, Minneapolis.

An Address to the Minneapolis Association of Credit Men



Sometimes a fellow wonders if he's buying insurance or compiling a directory!

THE following important considerations in handling insurance deserve, I believe, the attention of credit men and others who have to do with insurance:

1. Insure against every contingency the happening of which would cause financial embarrassment.
2. Transact your insurance business with one agent who should be your insurance adviser.
3. Consider insurance matters as a distinct consideration in your business and have one person in your organization responsible for the insurance.
4. Have a definite and mutual understanding with your agent as to what insurance is carried and why.
5. Insure in first class companies.
6. Do not use a co-insurance clause or other restrictive clauses for the sake of economy unless you are in a position to comply with the conditions imposed.
7. Enter into a loss adjustment, assuming that the insurance company is going to be fair.

Having traveled for a fire insurance company as a state agent and adjuster for ten years, I am well acquainted with the country agent and his methods, and fairly well acquainted with the country merchant. While in charge of the local agency business in Minneapolis for a like number of years, I have come in touch with the insurance problems of business concerns in the city, and I have come to see that what applies to one applies to the other.

The Standard Oil Co., with possibly 10,000 different locations and say \$10,000 of value at each location, can safely, operating on the law of averages, carry its own insurance. Maintaining an insurance and inspection department, it can handle its own in-

surance at less cost than through the insurance companies. But a man whose assets consist of \$10,000 worth of merchandise in one building, should protect that merchandise against losses on account of fire or tornado, and his business operations against all other losses on account of contingencies, imposed by law, that may be protected by liability insurance.

RETAILER HAD 29 INSURANCE AGENTS

I recently looked over the various insurance contracts of a retail establishment in Minneapolis, covering a stock of \$400,000. This concern had eighty fire insurance policies placed with twenty-nine different insurance agents! Almost every other form of insurance was placed with a different agent. The concern was trading merchandise for insurance. That of course is small business. No one agent participating in the insurance placed by the retailer could possibly be familiar with the business as a whole or intelligently advise regarding insurance matters, and none of these agents should be expected to assume much responsibility.

SIDE-LINE AGENT DANGEROUS TO DEAL WITH

The agent one selects should devote his entire time to insurance. There are about ninety different forms of insurance written by regularly licensed standard insurance companies. The subject is technical and there is much to consider. If I were a credit man, I would particularly impress this suggestion upon my country customers, for while it is becoming the custom to handle business in the city through regular insurance specialists, many country merchants still follow the bad practice of trading merchandise for insurance. In every town of any size, there are agents devoting themselves

exclusively to the business of insurance. The local bank handles insurance, but their business is banking primarily, and insurance incidentally, and the insurance business is looked after by a clerk after banking hours. The country lawyer handles insurance, but his business is law primarily and insurance incidentally. If he has a stenographer, it will be found that the stenographer is assigned to looking after the insurance. The banker and the lawyer do not keep posted on insurance matters; and when a fire reveals a mistake and they find that their customer is not properly protected, they often plead with the insurance company to waive the policy conditions and assume liability in order to save them from an embarrassing situation, though the liability is one that the company would not have assumed under the policy written had it known the conditions at the time of issue.

There are over 450 insurance agents handling fire and casualty insurance in Minneapolis, and besides them are hundreds of solicitors. A large percentage of the agents handle insurance "on the side." Considering the importance of one's insurance problems, there is as much reason to have one insurance adviser as there is to have one legal adviser, a man whose time is at call, with whom the business man feels at liberty to consult at all times, and whose service is not limited to issuing a contract and receiving the commission on that policy.

Some time ago a Minneapolis merchant brought suit and secured a judgment against a real estate and mortgage loan office handling insurance incidentally. One of the girls in the real estate office testified that she remembered taking an order on about the date that the merchant claimed he had

telephoned. This incidental insurance agent claims that the girl had no authority to take orders. She was of course compelled to testify that she was in the habit of taking orders over the telephone, but that this order was either forgotten by her or neglected by some one. An insurance agency of course receives many orders over the telephone.

I have often been called after business hours, and have been advised by a merchant that he has received a large consignment of merchandise and would like to have it covered immediately. Instead of saying, "We will bind \$40,000," we tell the merchant to take pencil and paper and then and there make record that we are binding him in the following companies for the following amounts. We then make a notation in our book, and for further protection in case the amount is large, we call up someone else associated with our office and have him make a similar record.

MAKE ONE MAN IN CONCERN RESPONSIBLE FOR INSURANCE

A merchant should have one man in his organization handle the insurance. Even in a small store with two partners, one of the partners or the bookkeeper should handle all insurance matters, in order that the insurance problems may be considered as a whole. This is simply a matter of system applicable to all other problems including insurance.

One should also have a definite understanding with his agent as to what insurance is carried and why. I find from personal experience that even large insurers do not know, except in a general way, what insurance they are carrying, and know nothing about the details of the contracts. I place all insurance carried for some clients with whom it has never been possible for me to discuss insurance matters for more than a few minutes at a time. A member of the concern may telephone that he made such and such arrangements, and ask whether they will affect his insurance, whether or not his policy should be endorsed or a new form of insurance written. If I call at his office, he will discuss the one proposition while he is reading his mail, and when I leave, he will know only that the coverage has been arranged, but will have only a vague impression as to how and why.

I have often been impressed with the fact that an insurer, who devotes earnest attention to system, cost, sales, etc., in his business, will utterly fail to familiarize himself with insurance, though in principle he recognizes its vital importance. He should make an appointment with his insurance adviser who should furnish a description of all the various forms of insurance protection it is possible to secure. Together they should eliminate the forms that do not pertain to the business. Then they should eliminate those in which the amount of loss in any case would be immaterial. By this I do not mean forms of loss whose possibility of occurrence would be remote, because very unexpected contingencies happen, and however remote, when they do happen, the loss may be great and should be insured against. The make-up of the rate takes into consideration the frequency of occurrence and if remote the cost is correspondingly low. Together they next take up the classes

of insurance the concern wishes to carry, discuss methods of operating and other problems, and come to a mutual understanding as to the best forms of coverage and the necessary amounts. Such a discussion necessarily must become intimate, especially in connection for instance with "Use and Occupancy" insurance in order to establish accurately the values applying under this form of insurance, for it covers loss of net profits and those expenses that will necessarily continue during interruption of business.

When a complete understanding has been reached, the agent should furnish a list of all forms of insurance possible to be carried, indicating those not carried and the reasons. He should also furnish a synopsis of all of the insurance policies carried, indicating what is insured and what is excluded under the contract and what voids it. This protects both the insurer and the insured as it determines the contractual obligations *before* instead of *after* a loss. Incidentally, a first class agent should inspect the assured's property for the purpose of seeing that the forms cover properly and, if able to do so, he should take a fire insurance rating engineer and casualty insurance rating engineer with him for the purpose of eliminating all unnecessary rate charges in order to secure the minimum rate.

THE DIFFERENCES IN COMPANIES

Of course, one must insure in first class companies. Insurance is protection taken to avoid risk and speculation. Although inconsistent, some people speculate in cheap, unsafe insurance. Sound insurance is the cheapest in the long run, and I emphasize this when I refer to liability and workmen's compensation insurance because of deferred liability.

Be it remembered that there are various kinds of insurance companies—stock, mutual, reciprocal and Lloyds. A stock company is a corporation with a definite capital. The capital and surplus are for the protection of policy holders. The policy holder is not a partner. When he pays his premium that ends his obligations. A mutual company is a corporation without capital stock. Instead of capital stock, the company has the right to assess to meet extraordinary obligations. The policy holders are, therefore, co-operative members. A reciprocal is an unincorporated institution: every subscriber is both a policy holder and an insurer. The subscribers exchange insurance, operating through an attorney-in-fact, who has almost dictatorial powers. A Lloyds is an unincorporated institution, but there is a definite group of underwriters who constitute the insuring body, each assuming a fixed proportion of the liability. The policy holder is not an insurer, nor is he subject to an assessment. The liability of the underwriters is several and not joint.

Probably at least 80 per cent. of all insurance carried is underwritten by stock companies. Practically all of the other classes of insurance companies are also organized as commercial institutions for the profit of those who conduct the operations, although there are a few pure mutuals organized and operated by associations, and a large number of township mutuals organized for the purpose of insuring farm property where the values are small and

well distributed. Such organizations have difficulties, however. After the recent forest fire in Northern Minnesota, it was discovered that virtually all of the properties in that district insured by township mutuals had been destroyed. It was apparent that each policy holder would have to take care of his own loss. The insurance commissioner, in order to save the reputation of these township mutuals, asked all farmers' mutuals in the state, whether involved in the fire or not, to make a voluntary assessment on their policy holders to help pay the losses of the mutuals involved.

Some stock companies have accumulated such a large surplus and transact such a large business that the interest on their capital, surplus, unearned premium reserves, and loss reserves is so great that it is possible for them to pay substantial dividends to stockholders without making an underwriting profit. As a matter of fact, during the last ten years, on premium receipts of three and one-half billion dollars, the American stock fire insurance companies made an underwriting profit of less than fifty million dollars, or less than one and one-half per cent. Conducting a business of that magnitude at a profit of less than one and one-half per cent. should perhaps be almost sufficiently mutual to satisfy the most radically inclined.

CO-INSURANCE AND RESTRICTIVE CLAUSES

In the beginning of this article I advised against the use of co-insurance and other restrictive clauses unless the insurer is in a position to comply with them. Few insurers take sufficient time to familiarize themselves with the co-insurance clause. The Minnesota legislators assumed that if the insurer were required to sign the co-insurance clause, it would indicate that he understood his obligation. It only indicates that he acquiesces in its use. The clause is intended for use where there is fire protection, and is primarily intended to equalize rates.

To illustrate the reason for its use, let us say that two men each owns a \$10,000, one story, concrete building, each one block from the fire department. The rate in each case is one per cent. One man assumes that his loss cannot exceed \$1,000. Therefore, he purchases that amount of insurance at a premium of \$10. The other man figures that there is a possibility of an adjoining building falling on his building, or that an explosion may occur in connection with a fire, and there is a remote possibility of a total loss. He, therefore, takes \$10,000 insurance at a premium of \$100. Ninety-five per cent of all fires result in a loss not exceeding five per cent. Therefore, in ninety-five times out of a hundred, each man secures the same amount of protection, one paying \$10, and the other paying \$100. Companies are not able to establish equitable rates on that basis. Accordingly they provide that if the assured will agree to carry insurance equal to at least a certain per cent. of the actual value, they will issue the policy at a less rate. The co-insurance credit for an absolutely fire-proof building may be as high as 64 per cent. of the gross rate in the Minneapolis territory.

The assured's acceptance includes an agreement on his part that upon failure to carry at least the agreed percentage

(Continued on page 36.)

The Suspense Ledger

Its Underlying Principles and Questions It Should Answer

By H. P. Reader

Cannon Mills, New York City

WEBSTER defines suspense as "specifically, a state of uncertainty and expectation with anxiety or apprehension." It seems fitting that this definition should be accepted and that those accounts that have passed under the cloud of doubt should be segregated from the accounts of apparent soundness and placed in a "Suspense Ledger."

The determination of the proper time to suspend an account, is generally left to the credit man, though he is, usually, guided in his decision by the policy of his house, for the subject is of enough importance to have received careful study and the formulation of a definite policy. Safe practice suggests that an account be charged to suspense as soon as it is obviously not collectible by the usual methods and must be referred to an attorney, or, in case the debtor dies and his estate must be administered before payment can be made, or in cases

The Sick-Book

THOSE WHO have been following Mr. Reader's articles in the series, "A Day in the Credit Department," and have been led to undertake more systematic work, will not have escaped the necessity of having a suspense ledger. However, the regular and close attention to accounts made possible by adopting the methods he has described, should reduce somewhat the number of accounts entered in the sick-book of the house.

There is much that credit men should know of their sick accounts that they are now too hazy about. Mr. Reader is among those who believes that it is important to be as systematic in handling suspense items as in handling the most active accounts. THE EDITOR.

where there is a receivership or insolvency or any other thing that ties up the account and delays collection for a considerable period and makes collection in full doubtful.

If the Suspense Ledger is to be anything more than a dead house, it is important that its form be such as to insure two important results:

- (1) That of helping the credit man and his assistants to follow up closely and intelligently the work of collecting uncertain accounts by showing at a glance just what steps have been taken on each account toward recovery.
- (2) That of keeping these accounts in balance with the controlling set of books. If this is made a requirement of the accounting system of the house, complete and accurate work is insured on the Suspense Ledger.

To carry out the two principles above mentioned; to see that the steps to collect are taken in proper sequence; that the point to which the case has progressed is ascertainable without digging through voluminous files—for it must

Debtor		Debtors Attorney		No.	
				Charged to Bad Debts	
				Date	
Date		Date	Amount	Recoveries	Dividend No.
	Placed with Attorney				
	Suit Ordered				
	Complaint Verified	What Court?			
	Judgment recovered \$	In a Court of Record?			
	Judgment Docketed, where?				
	Examined Sup. Pro.				
	BANKRUPT.	Case No.	In the District Court of the U. S. A.		
	Petition Filed	Voluntary	Involuntary	\$ Assets, \$ Liabilities	
	Proof of Debt and Power of Attorney sent to.				
	1st meeting of Creditors, where?				
	Sale of Assets, where?				
	Trustee,				
	Address				
	Referee,				
	Address			Remarks over	

FIG. 1.

SUSPENSE LEDGER CARD.—This card is in actual use, but does not provide for all the information Mr. Reader regards as desirable.

be borne in mind that many cases run over long periods of time before final dividends or settlement are received—certain specific data must appear on each account, whether the Suspense Ledger takes the form of cards or a bound book.

INFORMATION ON SUSPENDED ACCOUNTS

Among the data on each account should be the following:—

1. Name of Debtor.
2. Address of Debtor.
3. Amount charged to suspense.
4. Date of charging to suspense.
5. Reason for charging to suspense.
6. Serial number of account.
7. Date placed with attorney or collector.
8. Name of attorney.
9. Address of attorney.
10. Name of debtor's attorney (if he has one).
11. Address of debtor's attorney.
12. Date of ordering suit.
13. Date of verifying complaint.
14. Name and location of court where action is brought.
15. Date of judgment recovered.
16. Amount of judgment.
17. Is court where judgment is recovered a court of record?
18. Date of docketing judgment.
19. Where docketed.
20. Date execution was issued.
21. Date execution made returnable.
22. Date execution returned.
23. Execution satisfied or unsatisfied?
24. Date of Supplementary Proceedings.
25. Where Supplementary Proceedings were held.
26. Result of supplementary examination.
27. Bankrupt.
28. Case number.
29. District Court U. S. A. at..... in District of.....
30. Date petition filed.
31. Voluntary or Involuntary?
32. Assets \$.....
33. Liabilities \$.....
34. Date Proof of Debt sent; to whom?
35. Date Power of Attorney sent; to whom?
36. Date first meeting of creditors; where?
37. Date and amount of settlement offered.
38. Date offer accepted by creditors or rejected.
39. Date of Sale of Assets.
40. Where sold.
41. Where bought.
42. Amount realized.
43. Date Trustee elected.
44. Name of Trustee.
45. Address of Trustee.
46. Name of Trustee's attorney.
47. Address of Trustee's attorney.
48. Name of Referee in Bankruptcy.
49. Address of Referee in Bankruptcy.
50. Date of recovery.
51. Amount of recovery.
52. Total amount charged to suspense.
53. Date final payment received; amount.
54. Add expenses of collection.
55. Credit amount received.
56. Date and amount of Balance charged to Bad Debts.

The card reproduced herewith (Fig. 1.) shows how one house handles the subject, though it is not offered as a model because important points are omitted.

It is my experience that a bound book is most desirable for a suspense ledger for several reasons:

1. The records are desired over a long period of time.
2. The bound book is not likely to be mislaid, as a card might be where reference is infrequent.
3. Accounts in a suspense ledger are not active, therefore the rapidity and flexibility (that make cards so desirable for regular active accounts) are not needed.
4. The bound book keeping all suspense accounts together in compact form makes the handling and frequent inspection easy for the credit man; and he is more likely to have the book on his desk for study from time to time.

A properly arranged Suspense Ledger, with entries kept up as each case progresses will result in larger dividends from delinquents, will keep down losses and give the house using such a method a reputation for diligence. The sort of men who are looking for "easy credit" and quick settlements will pass that kind of a house by on the other side.

One Less Crook at Large

Effective Investigation Prosecution Work

By C. D. West ("Zephon")

Mgr., I. & P. Dept., National Association of Credit Men

IT is in the American temperament to believe implicitly in the other fellow until the confidence has been taken unfair advantage of. This American trait has been capitalized by some who have felt that through it fortunes could be amassed without following the slow uphill processes demanded of most men in reaching success.

Here is the story of a fellow with a remarkable twist to his conscience, who had laid his lines to make a great stroke against confiding creditors.

His name was given as David Hoffman. Quite likely it was not the name given by his parents, but it was the name he operated under as he opened business for the holiday season of 1921 in Montgomery, Alabama. After establishing a fair credit, he sent orders promiscuously with instructions that the goods should be "shipped at once—rush!" The goods were put in transit. They reached their destination; but to the great astonishment of the suppliers, on December 18, 1921, this rapid-fire orderer filed a voluntary petition in bankruptcy, which showed a large excess of liabilities. His creditors at once asked what had happened to all the merchandise he had ordered only a little while before.

The receiver in bankruptcy converted the merchandise, fixtures and accounts in a net sum of \$2,950. They were bought by a confederate, and with money furnished by the bankrupt, for it is seldom that one person can play a crooked game of this kind alone. He must have at least one confederate.

Satisfied that they had been badly stung, several of the creditors through the New Orleans Association of Credit Men, filed a complaint in due form with the Investigation and Prosecution Department of the National Association of Credit Men. The complaint was honored and an investigator sent to the field of operations. It took but a brief time to get a clear lead to the solution of the plot. The stock taken over by the confederate began to grow amazingly, and from mysterious sources. The investigator, trained to scent such things, solved the mystery. He found plenty of evidence that large quantities of merchandise had been secreted by the bankrupt in his home and other places.

\$16,000 IN GOODS RECOVERED

The wheels began to turn. Neither the bankrupt nor his immediate confederate could stand the gaff as they say; and on May 3, 1922, the Federal Grand Jury at Montgomery handed down indictments against Hoffman and six confederates and the concealed assets, said to amount to \$16,000, were recovered for the estate. In all of this interesting action no one was more deeply concerned and gave more practical assistance than Hon. M. S. Carmichael, Referee in Bankruptcy, at Montgomery. The attorneys for the creditors, Sternfeld & Lobman, at

Montgomery, also lent a strong and helpful hand.

On December 7, 1922, and before Hon. Henry D. Clayton, the presiding judge in the U. S. District Court, Hoffman pleaded guilty and was sentenced to fifteen months in the Atlanta Penitentiary. His immediate confederates, two in number, were fined \$500. Against the remainder of the confederates, sufficient evidence had not been obtained; and at the request of the prosecuting attorney they were dismissed.

Judge Clayton delivered some strong sentiments in pronouncing sentence and also complimented those who had ferreted out the crime.

Hoffman will now have some months to deliberate over the futility of trying to make money by an easy turn. He no doubt had heard that others had played the game frequently, and felt that there was no reason why he should not try it himself. He would have succeeded but for the investigation instituted by the creditors.

This is not an unusual story. Hoffman's game is played so frequently with impunity that it has proved a great encouragement to the fellow of crooked conscience who sets out to make money by short cuts. This time, however, the game failed, and it will fall every time if there be proper diligence and the creditors who are defrauded pledge their co-operation and strength to a thorough prosecution of the case.

Hoffman is a good exhibit. His failure and his punishment should be a warning to the commercial crook and also give encouragement to creditors that such men as Hoffman can be given their true deserts if the creditors but get together to that end.

PRaise FOR I. AND P. DEPARTMENT

In view of the successful work of the Investigation and Prosecution Department in the Hoffman and other cases the Administration Committee of the National Association of Credit Men was moved to adopt the following minute at a recent meeting:

"The Administrative Committee in monthly meeting conveys its appreciation to the Investigation and Prosecution Executive Committee for the splendid manner in which the many cases accepted by the Department have been carried on, and particularly for the generous financial assistance received of creditors in these cases.

"The Administrative Committee feels that this Department has given service of a high order and its work should be understood and appreciated by the entire organization. It is indicative of what can be accomplished when there is a general movement throughout all of the local association for the prosecution of commercial fraud, and the National Department is permitted through enlarged income to expand its work."

Nation-Wide Activities of Credit Men

State Conferences of Credit Men

Alabama-Louisiana-Mississippi Conference

Birmingham.—There was a full program for the Alabama-Louisiana-Mississippi conference held at Birmingham last month. The evening meeting brought out an attendance of 125 at which National Sec.-Treas. Tregoe made an address.

Texas Conference

Port Worth.—H. C. Burke of Ft. Worth acted as quiz-master at the Texas Conference held at Ft. Worth last month. There was a well-balanced program and those who attended expressed themselves as well satisfied with the conference. The evening meeting had an attendance of 265 and was addressed by National Sec.-Treas. Tregoe.

Best Kentucky Conference

Lexington.—Louisville sent a delegation of twenty members to the Kentucky Conference held in Lexington last month. The subjects were well presented and the discussion excellent. National Sec.-Treas. Tregoe, who addressed the conference, declares that this was the best Kentucky conference ever held, and that Pres. McGarry and Conference Chairman Morrison put the conference over in the best possible manner.

Kansas-Oklahoma Conference

Oklahoma City.—The Kansas Oklahoma Conference held January 19, brought together a highly representative gathering of credit men of the two states. The conference laid stress on demonstrations staged to illustrate common credit department activities and bring out the methods that credit men can adopt in handling successful breakdowns in which they are together interested.

Addresses were made on present day Financial Conditions, Credit Interchange, Credit Correspondence and Adjustment of Accounts, among the speakers being D. W. Hogan, president of the Oklahoma City Clearing House Association, M. E. Garrison, of the Wichita association, President W. D. Burns of the Tulsa association and Walter Markham of Goodner, Mitchell Co. At the evening meeting National Sec.-Treas. Tregoe was the speaker.

Indiana Conference

Terra Haute.—At the Indiana conference held last month the program was well arranged, the addresses excellent, and a great deal of interest was manifested in the various discussions. There was an attendance of 200.

Besides the address of National Sec.-Treas. Tregoe, there was a paper by Prof. Bogardus on "The Uses and Abuses of Credit." Judge Carter, of Indianapolis, on "Saving the Deserving Merchant," made a great hit. The judge is exceedingly practical and never hesitates to speak his mind.

Speakers Who Have Addressed Credit Men Recently

Congressman Lee on the Evil of the Bloc

Bridgeport.—Warren I. Lee, a member of Congress from New York City, addressing the members of the Bridgeport association recently, declared that the debates of Congress are tedious beyond comparison, dry as Sahara's sands and hold up the passage of needed legislation. The tendency toward the bloc system in Congress, he added, is exceedingly hurtful to the country at large, for the attitude of the bloc is to sacrifice everything to achieve a purpose close to the heart of the members of the bloc totally disregarding the general good of the country in so doing.

Joseph G. Shapiro, a member of the bar at Bridgeport, spoke on the legislation which the credit men of the state were offering before the present session. Connecticut Sec. Frank L. Odell continues to secure for the Connecticut associations a generous amount of attention from the part of the news editors and editorial writers of the Connecticut newspapers.

Buffalo Joint Meetings

Buffalo.—The last dinner of the Buffalo association was Bankers' Night. The Buffalo Chapter of the American Institute of Banking joined in the meeting. Vice-Pres. Jos. P. Harris, Union Trust Co., Cleveland, spoke for the bankers. The Credit Men secured Rev. B. C. Clausen, pastor of the First Baptist Church, Syracuse, who made such a splendid impression at the N. Y. State Conference in 1921. This made up an excellent, well-balanced program and the meeting was a success from every viewpoint.

At a joint luncheon held with the Chamber of Commerce, D. W. Cauley, Secretary-Manager of the Cleveland association was the speaker of the occasion. He outlined the purposes and plans of the association under the title "Reducing Bad Debt Losses."

President's Night at Duluth

Duluth.—The Duluth association gave a dinner to its past presidents last month and heard them speak briefly on various credit subjects, as follows: W. B. Cross, "Indecency in Credits;" R. W. Higgins, "Financial Statements;" H. A. Sedgwick, "Collateral;" A. B. Anderson, "Relation of the Credits and Sales Departments;" S. D. Fisher, "Credit Department Methods" and M. F. Sullivan, "Credit Interchange."

Co-operation in Credits

Grand Rapids.—Sec. O'Keefe of the Chicago association, spoke before the Grand Rapids association meeting of last month on "Co-operation in Credits." He pleaded for the raising of the standard of credit men, especially in the business field and for better support to the adjustment bureaus of the association.

Samuel H. Ranck gave an illustrated lecture on the "Rivers of Michigan."

McLaurin Speaks at Greenville

Greenville.—Pres. James H. McLaurin of the American Wholesale Grocers Association was the principal speaker last month at a joint dinner of the Piedmont (Greenville, S. C.) Credit and Adjustment Bureau and the Wholesale Bureau of the Chamber of Commerce.

Prendergast on European Problems

Hartford.—Wm. A. Prendergast, chairman of the Public Service Commission of the State of New York, was the principal speaker at the meeting of the Hartford association held last month. He spoke on general business conditions and told why the problems that were now so seriously troubling the world were largely credit problems which called for pretty much the same sort of adjustment work as credit men apply to credit breakdowns. He deplored the fact that there is introduced into the settlement of all these problems so much that is purely political.

Mr. Prendergast was introduced by William W. Orr, assistant secretary of the National Association, who told of the great service that Mr. Prendergast had done for the organization during the four years of his secretaryship when the policies and ideals of the Association were in their formative stage.

Frank L. Odell gave an interesting and encouraging review of the progress being made by the associations in Hartford, New Haven and Bridgeport under his direction as state secretary and also of the plans which were almost completed for a similar association in Watertown. Pres. L. W. Young presided.

Speeches by Norvell and O'Keefe

Huntington.—National Pres. John E. Norvell spoke on "The Sins of War" at the last meeting of the Huntington association. The other principal speaker was Sec. J. F. O'Keefe of the Chicago Association who praised the comprehensive work done by Pres. Norvell in promoting the interests of the National Association and described the operation of the twenty trade divisions which actively carry on the co-operative work of the 3,000 members of the Chicago association.

The Credit Lunch Club staged a session of the procedure they go through at their weekly meetings, which showed that there is no competition in credits and that the modern credit man is willing to lay his cards face up on the table and is always ready to help his fellow credit man.

Gov. Morrow of Kentucky at Indianapolis

Indianapolis.—The Indianapolis association had Gov. Morrow of Kentucky and National Sec.-Treas. Tregoe as their guests for their last meeting. Sec. Tregoe stressed the point of four and one-half billion of gold held on these shores is a menace because it is leading to abominable extravagance which is the greatest menace to the life of a

nation. He pleaded also for the middle classes of producers and distributors as presenting the greatest defense of the Nation against militant socialism.

Weekly luncheon meetings of the association are attracting increasing attention. Such practical subjects as mercantile agency reports, sales contracts, recent credit legislation, the bankruptcy law and the mechanics' lien law were discussed by local leaders.

"Common Abuses of Business"

Pittsburgh.—J. W. Thomas, Anchor Sanitary Co., gave members of the Credo Club at a recent meeting a chance to express themselves on several little matters which are "sore spots" to credit men. "Unearned Discounts," "Failure to Answer Letters," "Failure to Pay at Maturity," "Cancellations," and "Post-dated Checks" were a few of the matters upon which views were expressed, and discussion waxed warm. There were

several points upon which differences of opinion appeared, particularly the matter of post dated checks. It was generally agreed, however, that while this practice is to be condemned in principle, there are circumstances under which it is perfectly legitimate, because of local conditions, such as pay days in the district, etc. In other cases it may be the only means of clearing up an undesirable condition already existing. The meeting closed without having to call the police.

(Continued on page 17.)

Mercantile Agency Service Responsibilities of the Subscribers

By J. S. Thomas

Elliott-Lewis Electric Co., Inc., Philadelphia.

THE Mercantile Agencies Service Executive Committee,—of which I have the honor of being chairman, unanimously approved at its last meeting, the following declaration:

The Committee records as the result of careful study and observation, its conviction that the most useful and economic type of agency service can alone be produced by the observance of certain simple principles in the construction of reports and the agreeable co-operation of subscribers.

The Mercantile Agencies cover a distinctive field, and their service is useful in appraising credit risks.

There has not been the close and congenial understanding between the Agencies and their subscribers necessary to the success of a co-operative function, and it is a sincere desire of this Committee to point out certain features in the two angles of the situation which, if accepted and applied, will tend very quickly to improvement in the material and construction of reports, and in the understanding of subscribers.

The Committee is convinced that the information entering into a report should be assembled and compiled with the utmost care. The reporter is the real crux of this problem, and unless the Agencies use adaptable people for this particular work and train them in what information to seek and how to seek it, the material they assemble will not approximate the accuracy and broadness of conception that is needed in the making of useful reports.

We emphasize, therefore, the indispensable value to the subscribers of good, honest, intelligent reportorial work.

This Committee will be very glad to elaborate on its ideas and point out specifically the features in which so many Agency reporters are lacking.

REPORTS SHOULD BE EDITED

The second point that the Committee would emphasize is the censoring of reports before they are issued. Too

many reports fail to hang together. There are frequently typographical mistakes. The proper paragraphing is not followed. A little glance from an expert would quickly discover these defects, and they should be corrected before the reports are issued.

The third point that the Committee would emphasize is the lack of appreciation in some of the district or local offices of the Agencies to understand what we are endeavoring to accomplish, and to give the co-operation that will help to expand their own work and to increase the usefulness of reports. The Superintendents should be led to understand that this is a co-operative effort and the degree of its success will be reflected in a growing appreciation of subscribers for the reporting service, and the elimination of many of the criticisms that now prevail.

The fourth point the Committee would emphasize is this: The Agencies are not exercising the proper care in compiling ledger experiences. Very many credit managers are growing impatient under the flood of inquiries coming to them from the Agencies, and, furthermore, the manner in which the experiences are frequently gathered by reporters is very crude and does not assure the accuracy and completeness which should attach always to this type of information. If the Agencies are to develop satisfactorily, this feature of reports, they must work out plans for obtaining the information that will not overburden credit departments or secure merely incomplete or undependable information. No part of the service should receive more careful study and development than this particular one.

THE SUBSCRIBER'S RESPONSIBILITY

Turning now to the subscriber, the Committee would point out, first, that interpreting the Agency report has not been properly cultivated in credit departments. The reports are too frequently glossed over. Their parts are not balanced one against the other.

They are not sufficiently studied. If the Mercantile Agency report is to perform its proper function in credit work, then the interpretation of reports should be a diligent study for credit managers.

The second point in this part of the Committee's declaration is that subscribers fail in many instances to return defective and poorly compiled reports to the issuing office. It is perfectly well understood that the Agencies do not want their subscribers to accept defective or incorrectly typed reports. In every instance where defects are discovered, where the typing is incorrect, or the material in the report does not hang together, it should be returned to the issuing office. The return, however, should be done with an idea of improving the service and not as a factious complaint.

The third point the Committee would emphasize for the subscriber is co-operation in building Mercantile Agency reports. When accounts are not satisfactory for such reasons as making unjust claims, taking discounts unfairly, returning merchandise without cause, or other features which would make an account unacceptable, such instances should be reported to the Agencies. It is sometimes remarked that a subscriber should not be expected to pay for the service and at the same time furnish information without some form of compensation. This is not a fair way to view the question. Subscribers are interested in and should have the very best reports. They oftentimes possess information that should go into the body of a report, and it is incumbent on the body of a report, and it is incumbent. In the matter of ledger experiences, we believe subscribers should be very free with the Agencies and supply information only that is accurate and up-to-date. If at any time the inquiries of the Agencies grow burdensome, or the reporters seeking the information direct do not appear to be of the proper type, the Agency should be promptly advised, and an adjustment reached that will be fair and satisfactory to both.

These are the high spots of the subject as it is viewed by the Executive Committee, aside from the belief that local Associations of Credit Men should feature a Mercantile Agencies Service Department, and through well-organized Committees be constantly in a position to confer with the Superintendents of Agencies and to project the ideas of the Executive Committee into the local considerations and criticisms should they prevail, of the service.

Factors in Determining the Credit Risk

First of a Series of Articles Based on Material Supplied
by the National Institute of Credit

By John Whyte, Ph.D.

Director, National Institute of Credit.

BEGINNING with this issue, it is planned to devote at least one page of the CREDIT MONTHLY to the National Institute of Credit of the National Association of Credit Men. It is the intention of the editors to make this department one of educational value not only to the members of the Institute but to all students of credit. Each issue, in addition to recording happenings in the Institute, will take up some phase of credit. The work will supplement the material now being used in the classes and in the correspondence courses of the N. I. C. Though in certain respects these articles will necessarily duplicate some of that material, there will be sufficient differentiation from my own slant which has come from innumerable discussions with credit men on credit subjects, from a reading of books on business research and of statistics and from ideas gathered from various quarters that bear on the general subject.

In addition to the presentation of definite subjects, questions will be put from time to time. These questions are thought of as being in a large part suggestive. Their purpose, therefore, is to stimulate thought on the part of the credit man, and answers to them may at times be solicited. Among the subjects that will be taken up (not necessarily in order) are the following: 1. Some Factors in the Determination of the Credit Risk, 2. Relationship of Turnover to Business Profits and Its Importance in the Financial Statement, 3. Operating Expenses and their Bearing on the Determination of Credit Risks, 4. Statistics on Bad Debt Losses and What They Teach us, 5. Diversification in Farming and Industry and its Bearing on Credit, 6. The Problem of Forecasting, 7. The Use of Statistics, 8. Credit Ratio Analyses, 9. Some Aspects of Business Correspondence, etc.

The first subject, "Some Factors in the Determination of a Credit Risk," covers familiar ground but with a change in emphasis that it is believed justifies a new treatment of this old subject.

Some Factors in the Determination of the Credit Risk

ABILITY AND WILLINGNESS TO PAY IN THE FUTURE

The credit man is charged with the duty of determining whether the order for goods or services which his house has received is to be O. K'd or turned down. It is he who must decide whether the buyer possesses credit, that is, the ability to obtain goods or services by giving a promise to pay at some specified date in the future. The fulfillment of this promise, or the payment, depends on two fundamental factors. 1. Ability to pay and 2. Willingness to pay. Since credit payments are de-

ferred payments, i.e., payments in the future, the questions which the credit man should ask himself in scrutinizing a risk are not "Can he pay?" and "Is he willing to pay?", but "Will he be able to pay and willing to pay in the future?", that is, at maturity of the account. His problem, therefore, is to pass judgment on the future ability and willingness of the buyer to pay.

But it may be asked, how in the absence of prophetic vision is such a judgment possible? No infallible judgment is possible but on the basis of knowledge of the past and present the risk element in such judgments may be reduced to a minimum. Just as a present situation is an inevitable outgrowth of a past situation, just so will future situations grow out of present and past situations. To the extent therefore that we have accurate information on the past and the present, are we able to forecast future events with fair accuracy, and in our specific case, to forecast the future ability and willingness of the buyer to pay. What are some of the factors that determine this future ability and willingness to pay? The chief among them are character, capital, capacity; local and trade conditions, the general business movement, and the policy of the seller's house.

THE THREE C'S

Credit phrase makers were happy in their choice of three important factors in the determination of the credit risk—character, capacity and capital. An exhaustive investigation of these factors is ordinarily held to be sufficient basis for O. K'ing or turning down an order and yet experience has shown that these factors are not inclusive enough. Quite apart from the factor of the policy of the seller's house, which at all times has a modifying effect on the determination of the risk, there are other factors which, though at times negligible, assume at other times important dimensions. These may be grouped under the heading of business movements.

BUSINESS MOVEMENTS AND CREDIT

There are two types of movement to which most lines of business are subject: 1. the regularly recurring seasonal movement, and 2. the oscillating movement of business as a whole, commonly known as the business cycle. A knowledge of these two movements is of vital importance, for these movements, both singly and together, have a determining effect on the future willingness and ability of the buyer to redeem his credit obligations. To say that business is affected by these two movements is another way of saying that business is not static but *indur*, that the willingness and ability of the buyer to pay *today* is not identical with his willingness and ability to pay in the future. To state this is to state a truism, but the fact remains that the most serious mistakes

in credit policy come from a failure to consider the fluid character of business. Viewed in the light of these movements, character, capital and capacity, local and trade conditions take on a new significance.

Neither capital nor capacity can be evaluated identically in slack and active seasons, to say nothing about periods of depression and prosperity, and human experience has proved that even character undergoes the modifying influence of changing business conditions. In considering the fluid character of business, considered in the credit risk and all the factors in a credit policy, attention will be paid, wherever possible, to these modifying elements.

DEFERRED PAYMENTS AND SEASONAL ASPECTS

Most businesses have seasonal aspects. In some lines these aspects are so pronounced that we call the lines seasonal. But even in lines where the commodities themselves are not distinctly seasonal, seasonal factors are nevertheless introduced by other elements.

SEASONAL INDUSTRIES

The largest single industry in the country—farming—is distinctly seasonal and injects a pronounced seasonal element into sales and collections in all trades and communities in farming districts, and gives a seasonal aspect, though less pronounced, to industries and communities that seem at first far removed from the farm. Another large industry, the construction industry, also belongs to the distinctly seasonal class and it imparts seasonal aspects to all lines directly and indirectly dependent upon it. There are a large number of other seasonal lines, some of which coincide in their seasonal high and low points with those of the large industries mentioned above, and others of which tend to offset these high and low points. Whatever the situation with regard to them, they exercise an influence upon the future ability and willingness of the buyer to pay.

DEFERRED PAYMENTS AND SECOND HIGH POINTS

The retail credit clothing house that sells on the partial payment plan arranged to have payments fall due on or immediately after weekly pay day. There are for most wholesale lines somewhat comparable pay periods and when the due date of the accounts of these lines coincides with these pay periods, the deferred payments are more likely to be made than otherwise, and vice versa. These periods are, or should be, matters of common knowledge in the various trades and communities. If they are not, the credit man can as a rule definitely ascertain them and, since they exercise such a bearing on future ability and willingness to pay, they should be taken into account in every analysis of the credit risk. For other things being equal, the harvest times in

all seasonal lines and communities are better times for the liquidation of credits than the slack periods.

DEFERRED PAYMENTS AND THE BUSINESS CYCLE

Less susceptible of ascertainment but nevertheless very vital and at times all important in their bearing on the liquidation of credit are the larger business movements,—the movements of the business cycle. The movements of business from prosperity to crisis, to depression, to revival of business activity, to prosperity and over again, is a fact of business experience of the last hundred years in every industrial country. In that fact reside certain implications for the credit man who must think in terms of the future, i.e., in terms of deferred payments. Business statistics and business science have not yet reached the point, nor is it likely that they ever will, where they can forecast definitely and accurately each stage in this movement or the intensity of each stage. But at least the major characteristics of the movements are known and these characteristics, taken together with a knowledge of an eventual change, however imminent or remote, should in themselves be sufficient to safeguard business from the most serious disasters that usually attend such movements.

The credit man who in thinking of deferred payments projects imaginatively the time of these payments into a period of continuing or ever increasing prosperity, is flying in the face of commercial history and he will reap his reward in frozen credits, slow moving inventories manufactured or bought at peak prices, and possible cancellations. "But the credit man must take a chance." Yes, but among the chances he must take is the chance that in a period of prosperity the time of deferred payment may coincide with an incipient depression, and that in a period of depression the time of deferred payment will coincide with incipient prosperity. The chance that the time of all deferred payments will coincide with periods of prosperity is still in the realm of improbabilities.

Some of the characteristics of these different periods and the means of knowing and forecasting them will be left for a future chapter. This slight description of the business cycle with the emphasis on the necessity for reckoning with it must suffice here.

THE THREE C'S—CHARACTER CAPACITY, CAPITAL

"And the greatest of these is character." This emphasis on character as the chief basis for the exchange of goods for credit is not the result of the preachments of moralists but is born of the experiences of the proverbially hard-headed business man who, thinking in terms of business profits, has learned by bitter experience that exchanging goods for credit is unprofitable, where the character of the buyer is doubtful or clearly bad. By character, the business man means chiefly business character and by this business character he understands business honesty. Though it would seem difficult to over-emphasize the value of this attribute as a basis for credit, the late J. P. Morgan, in his famous testimony before the Pujo Committee did so, when he stated that "a man with character, without anything at all behind it, can get all the credit that he wants and the man without it cannot get it." Quite apart from a con-

sideration of capital, which sound banking principles require as collateral for credit, it is an exaggeration, pardonable perhaps in view of the importance of character, to say that character alone without even business capacity forms a satisfactory basis for credit. Whatever Mr. Morgan's own practices may have been, the credit man proceeding on such a principle with his firm's goods would court disaster. But there can be no quarrel with the conclusion that rests a large part of the basis of credit on business character or on business honesty,—on the type of business honesty that insures the willingness to pay, the willingness to redeem a pledge made, that is suggested in such expressions as "a man's word is as good as his bond,"—the type of business honesty that reveals a willingness and determination to pay both in fair weather and foul, and that in times of distress or disaster, when payment is impossible, "comes clean" with the creditors.

Business honesty in America reaches a high percentage; and the element of risk involved in the character or moral risk is not, generally speaking, very high. But though the vast majority of American business men are normally honest, many a business man under the pressure that comes through personal and business difficulties departs from scrupulous honesty; and the losses from such departures added to the losses from the acts of those who are chronically dishonest constitute a serious and harassing problem to the credit man.

Nor should the fact of the difficulty of determining the moral risk prevent the credit man from digging deep into the character element. Less tangible than capacity and capital, it is nevertheless susceptible of fairly definite knowledge. It is a relatively simple matter to determine who are the chronically dishonest, for the record of these is plainly written. But to isolate fair weather honest men requires study and exhaustive investigation and analysis. Since the fair weather honest man will depart from business honesty only under pressure, it is for the credit man to find out the elements that at any time may exert this pressure. For a large part, these elements are contained in the personal life and habits of the risk and his family and of the members of his business house. That is why the careful credit man will investigate the credit risk to discover whether he or his family or the immediate members of his business house are addicted to extravagant living, gambling, drinking, or to sex immoralities, for these vices themselves or their results are likely to be subversive to the maintenance of business honesty and integrity. And though they are not always easily discoverable, persistent inquiry is, for the most part, able to ascertain them.

CAPACITY

It is, of course, business capacity that is meant by this second term in the alliterating trio. It is the capacity of the merchant to conduct his business at a profit, for only by so doing can he meet his obligations. This business capacity is more accurately measurable than business character, for it is more usually a matter of record. There is the antecedent business history, the payment record including the merchant's discount policy, and the financial statements which, taken singly, and particularly, when compared, furnish an accurate index of his merchandising ability, for on the basis of this information

it is possible to determine the efficiency or inefficiency of the merchant's business administration and control.

Just as character can ultimately be judged only by the ordeal by fire, so business capacity can be finally determined only by periods of strain and stress. On a rising market the vast majority of business men meet the most obvious test of business capacity, namely, making money. The credit man must, therefore, seek to determine whether the business capacity which he finds in the risk in a period of prosperity and rising prices is of such a degree as to justify the conclusion that it will successfully steer the business ship through the harassing trials of business depression. He will be on the lookout, therefore, for elements of caution and prudence and foresight and for discretion and calmness, for these are qualities that in the long run will stand the merchant in good stead. And these qualities, though not always easily discernible, do reveal themselves nevertheless to the careful credit man in the record of the debtor even during prosperity, while they stand out in large letters in the case of merchants who have come through years of alternating depression and prosperity with colors flying.

The credit man must, therefore, project imaginatively the degree of capacity he finds in his risk in a period of prosperity, into a future of temporary reversal or of business depression. If the capacity is relatively low the chances are that it will not prove equal to the strain that will be placed upon it. If it is high, the chances are that it will prove a financial Rock of Gibraltar. A business capacity that can wrest profits from a declining market and business depression, is, other things being equal, an A No. 1 risk for the succeeding revival and prosperity.

The Sales Instinct Credit Men Should Have It

By E. G. Brice

Mgr., Membership Dept.
National Association of Credit Men

I BELIEVE the membership work of the National Association of Credit Men should be carried on with the spirit of a consistent sales campaign; the workers, while engaged in it should consider themselves salesmen; and the work should be conducted in the same spirit in which any organization would carry on a sales campaign on which its welfare depended.

Territory should be analyzed, all prospects listed, and a report should be made on each prospect.

Any salesman will be more careful in covering his trade if he knows that the entire organization is systematic, and requires from him only what all salesmen are expected to furnish.

We should emphasize, in asking our members to sell the Association, the fact that we are asking it as a contribution to the welfare of business as a whole.

The work which is done collectively through the Association has become so much a part of the activity of the credit department of every business that the extension of this service is in reality one of the benefits to which any credit man can devote some of his time, and yet feel that in so doing he is performing a service to his own firm.

Every credit man should have the sales instinct. Let us demonstrate, between now and June 1, that we have it.

Nation-Wide Activities of Credit Men

(Continued from page 14.)

Our Need of an Economic Program

Johnstown.—Dr. J. T. Holdsworth, vice-president of the Bank of Pittsburgh, N. A., spoke at the annual banquet of the Johnstown association on "Our Need of an Economic Program."

National Sec.-Treas. Tregoe spoke on "Some of the Serious Problems of Today."

Partnership Between Consumer and Producer Facilitated

Lehigh Valley.—M. J. Murphy, president of the New York and Pennsylvania Joint Stock Land Bank, addressed the members of the Lehigh Valley association last month on the new federal farm loan system. The system, he pointed out, has been in operation five years during which nine hundred million dollars has been loaned to the farmer. The system is, he said, a simple recognition of the fact that, as in other lines of industry agriculture must be capitalized.

Under the act a partnership is facilitated between producer and consumer. Under the new system, which gives money to the farmer on mortgage, the government takes charge of these mortgages and the farmer pays off the loan in installments semi-annually until he has returned the face of the mortgage. An indebted property is freed within thirty-three years by the payment of a small portion of the principal on each interest date. The banks take the loans at 6 per cent. and turn them over to the government at 5 per cent., thus having one per cent. for their labor, and yet the mortgagor is fully protected under the Federal act.

There were reports from E. E. Wallace, H. D. Reeder, A. D. Gomery and Geo. T. Haskell on the doings of the various National Association committees with which they are connected.

Tregoe at Louisville

Louisville.—The Louisville association holds its membership well and is making excellent progress under Pres. Luther C. Reynolds. National Sec.-Treas. Tregoe addressed a well-attended meeting of the association on January 25, and spoke on the subject "Credit Engineering the Need of the Times." C. H. Woodworth, manager of the Adjustment Bureau Department of the National Association described adjustment service. According to special news correspondent J. K. Scoggin, the meeting was not only enjoyable but educational and beneficial.

Relation Between Farm and Factory

Milwaukee.—The Milwaukee association at a recent meeting, adopted a strong resolution in which it urged that every effort be made to keep the Federal Reserve System clear of political influence. In the resolution, recognition was given to the system as a powerful factor in carrying the country through a serious period of deflation and credit given to the Federal Reserve Board for the wise guidance which it had exercised over the system since it came into existence.

At this meeting, the principal speaker was A. R. Kroh, efficiency engineer, Goodyear Tire Co., Akron, O., who spoke on the relation between farm and factory. He pointed out that thirty-six billion dollars are invested in manufacture in this country and seventy-eight billion in agriculture and kindred lines, in spite of which the average man thinks mainly in terms of manufacture. He pointed out that before manufacturers could expect a fair return on their production, the farmer must be paid enough to enable him to buy freely the products of the factory.

New York Forum Meetings

New York.—The subjects of the last two forum meetings were: "The Federal Income Tax," speakers, Harry Herskowitz, U. S. Revenue Agent, and Samuel B. Thomas, formerly Counselor and Adviser on the Income Tax to the Collector of the Internal Revenue; and "The Business Cycle: Economic Movements and Credit Conditions," speaker, Prof. Willford I. King, National Bureau of Economic Research.

Credit and Faith

Omaha.—The Rev. Dr. Geo. Miller spoke on "Credit and Faith" before the last Omaha association meeting. He gave illustrations to show how faith applies not only to matters of religion but matters of business, because business could not be carried on for a single day were faith in large measure not exercised. Another speaker was National Director W. W. Maish of Des Moines, whose subject was general business conditions. Other speakers were A. B. Palmer, Omaha Crockery Co., and F. A. Waldman, former presidents of the organization.

Director Maisch on the Association

Sioux City.—J. J. Cook, special news correspondent, writes that National Director W. W. Maish addressed the Sioux City association at its last meeting on association problems. Vice-Pres. E. W. Franz was in the chair.

Counsel at Syracuse

Syracuse.—W. R. Montgomery, counsel for the National Association, was the speaker at the last meeting of the Syracuse association. The meeting was in charge of The Legislative Committee, Ira N. Lee, A. E. Nettleton Co., Chairman; Benjamin Stolz, McGowan & Stolz; W. W. Plumb, Burhans & Black Co.; Leslie Unckless, O. M. Edwards Co.; John Heldman, Gibson-Snow Co.

Well Chosen Toledo Subjects

Toledo.—The following interesting subjects were treated by speakers at the last two meetings of the Toledo association: "Accepting the Salesman's Judgment in Passing Credit," by Derby R. Smith, The Smith-Kirk Candy Co.; "Shall Credit Be Granted When a Questionable Failure Is of Record?" by R. C. Ward, The Sun Co.; "The Moral Risk: What Are Its Distinguishing Features. How Should It Be Handled?" by D. C. Slee, France Stone Co.

Uehlinger on Business Service

New Haven.—The New Haven association at its February meeting has as guest and speaker H. Uehlinger, Hilo

Varnish Corp., N. Y., well known throughout the National Association for his varied activities in organization development.

Mr. Uehlinger's subject was the "Second Mile in Business." He pointed out how great assistance the credit man can render customers in building up a solid profitable business. He showed that there are two million business houses rated in the Dun and Bradstreet Agency volumes. Many of these houses get into difficulties because they try to bite off more than they can chew. It is this sort of difficulty that must be overcome by a closer contact with the wholesalers and manufacturers from whom they buy. Through them, these smaller merchants must learn how to keep track of their business, how to keep books, how to introduce better methods in accounting, and advertising and selling. This is the credit man's special task.

Following Mr. Uehlinger's inspiring address, several members of the New Haven association told of specific cases of business service in which they had been privileged to take part. Frank L. Odell, state secretary, reviewed the progress which local associations of the state were making.

Miscellaneous Items of Local News Altoona Over the Top

Altoona.—The youngest of the 137 associations in the National Association of Credit Men, which is located at Altoona, Pa., has already passed its membership quota for the year, according to the report of Pres. H. Slutzker, H. Slutzker & Co.

New Boston Members

Boston.—No less than seventeen well-known business houses were elected to membership in the Boston association during a recent month.

Rock and Courtney Change Cities

Chicago.—F. D. Rock, Armour & Co., a director of the Chicago Credit Men's Association and the chairman of its Foreign Credits Committee, has resigned these association duties to establish himself in Denver where he will supervise the credits of the western division of Armour & Co., from that city. He will be succeeded in Chicago in the Credit Department of Armour & Co. by G. H. Johnstone. Mr. Rock, who makes the change for the benefit of his health, continues as vice chairman of the Foreign Credits Committee of the National Association of Credit Men.

W. F. Courtney, after eight years in Denver where he has been a very active member of the local Credit Men's Association, becomes Assistant General Credit Manager of Armour & Co. at Chicago, where he will be the assistant of Mr. Johnstone.

Bankruptcy Act Violators Sentenced

Cincinnati.—Robert L. Mayer, Isaac Faller's Sons Co., writes that the Cincinnati Adjustment Bureau has received a great deal of favorable notice because of the part it took in bringing to justice Hyman Blackschieger, who was recently sentenced to one year and

one day in the Atlanta penitentiary, and his brother, Samuel, to six months in the Hamilton county jail by U. S. District Judge John Weld Peck upon their pleas of guilty of conspiring to violate the bankruptcy act.

The two brothers, with their father, were engaged in business as the American Skirt & Suit Company. District Attorney Morrow told the court that liabilities were found to be \$113,000 and assets \$8,000, and that the defendants had made false statements of their financial situation, upon which they obtained merchandise valued at \$78,000.

Preserve Our Form of Government!

Cleveland.—In a broadside hurled against the present day sentiment which would undermine the judicial system of the United States and subject its actions to popular whim and fancy, either through legislative or direct action, Judge D. C. Westenhaver of the Northern Ohio district, eastern division, Cleveland, defended the principles upon which this government was founded and sounded a call back to the fundamentals of the forefathers in an address before the Cleveland association at its last meeting.

"The greatness of this country is not due to accident," said the Judge. "The largest contributing factor in the establishment of this nation and in its growth and prosperity is its form of government, but in view of some present day manifestations of public opinion it would seem that there were not many of us left who understood the principles on which the government was founded.

"The place of the federal judiciary has been recently called into question by those who call it a usurpation of power—that the federal judiciary is permitted to pass upon the constitutionality of legislative enactments. These would amend the constitution to deprive the judiciary of the authority and leave us to depend solely upon the will and wisdom of Congress instead of on the wisdom of the founders of this government as we have done for the past 150 years.

"We need to get back to the constitution. Congress cannot rise above the constitution that creates it."

Prof. C. C. Arbuthnot, head of the economics department of Western Reserve University, spoke on "Adjustment of Labor Disputes."

Increase in Dallas Membership

Dallas.—The Dallas membership quota will be met this year according to the belief of the officers of the Dallas association. National Director Vernor Hall continues as manager of the Adjustment and Interchange Bureaus. The latter now has forty cases in hand.

National Sec.-Treas. Tregoe addressed 200 men at a joint meeting last month of the Salesmanship Club and the Dallas association.

Catch, Choke and Cough—the New Three C's

Dayton.—According to Aich El Bee in the bulletin of the Dayton association the three C's of credit should be; CATCH your man, CHOKE him and make him COUGH up some coin.

At the last meeting of the Dayton association the third episode of a series of Credit Clinics was presented under

the title, "Adjusting an Account" with the following highly competent cast of characters: Mr. Smith, the adjuster, by Mr. Hubler, of Dayton Rubber Mfg. Co., Mr. Anderson, of the Anderson Mercantile Co., Mr. Wm. Hussey, The Atlas Rubber & Belting Co., and Mrs. Anderson, by Miss Tyler, of the Dayton Adjustment Bureau Co.

Isaiah vs. Bradstreet

Detroit.—Sec. O. A. Montgomery writes that at a recent very successful meeting of the Detroit association one of the speakers was Jacob Nathan, former secretary of the Detroit Stock Exchange. He gave a very clear insight into the purpose and value of a properly conducted stock exchange; and those who heard him formed a better and higher conception than they previously had of the function of this line of business endeavor. He clearly set forth the distinction between a high-class investment house and the so-called bucket shop—the one acting simply as agent for its principals in buying or selling securities, and not using its principal's funds, and the other operating improperly by using the funds of its principals. Mr. Nathan sets a very high standard, as evidenced by his advocacy of the belief that true success in business can only be founded upon strict adherence to the Golden Rule. He declared that any business man would be better off in starting his day's work with reading a chapter from Isaiah or Matthew than a report from Bradstreet's or Babson.

The other speaker of the evening was Rev. H. M. Paulin, of Windsor, who spoke on the subject of "Canada and the United States." In a most striking way he portrayed the close contact between these two countries, not only geographically but through close relationship of their respective people and their interdependence of trade relations. He strongly urged an increase of interest in, and renewed effort to secure the Lakes-to-Ocean Waterway project, particularly for the benefit of the shipping for farmers of Northwest Canada.

Substantial Service at El Paso

El Paso.—The Tri-State Association of Credit Men in their annual meeting last month heard the most encouraging report from their secretary and manager, T. E. Blanchard, showing a strong treasury position and the fact that the association had during the year handled estates aggregating over \$360,000 upon which \$322,000 had been realized or an average of 89 per cent. on the face value of the property; further that there was a combined indebtedness against the estates closed during the year of \$444,000 on which creditors received \$313,000 or over 70½ per cent.

The report showed that the Interchange and Reporting Departments had furnished to members 30,599 credit interchange reports and 8,448 copies of signed financial statements; that the Investigation and Prosecution Department had recovered from one fraudulent failure \$21,000 in cash with which a substantial dividend to creditors such as could not otherwise have been paid, was made. The report also showed that the department had secured an indictment by the Federal Grand Jury of a debtor for making a false financial statement and that the secretary had organized a foreign credit department

which had made excellent progress in obtaining credit information, including some signed financial statements from merchants in the Republic of Mexico. A strong board of directors was elected for the coming year.

Way Past Their Membership Quota

Johnstown.—E. F. McGinley, Anderson Paper & Twine Co., membership chairman reports that the Johnstown association has already secured 161 members against a quota of 125.

Robert Morris Associates Praised by A. B. A.

Lansdowne.—The Administrative Committee of the American Bankers Association, has passed a resolution declaring that: "The Robert Morris Associates for more than five years have sought in a scientific manner to enlarge the available knowledge of statement analysis and to improve the methods of gathering, compiling and intelligently using credit data."

The committee congratulates the Associates on "the substantial progress thus far made and urge that their exertions be sustained, continued and enlarged, pledging a full measure of sympathetic support and cordial co-operation, and recommending to association members a thoughtful consideration of these efforts, so largely in their interest."

Los Angeles Activities

Los Angeles.—The Los Angeles association is stressing the importance of a local investigation and prosecution fund, a fund that will not be used to force collections but to ferret out and punish commercial crooks. The members are urged to consider their contributions to such a fund as an insurance outlay against crookedness in business and excessive losses on account of fraudulent debtors.

Is the C. M. a Grouch? NO!

Los Angeles.—The general impression that the credit man is a pessimist or grouch, soured on himself, the world and everything in general and that his highest form of amusement and satisfaction is to make existence miserable for those unfortunate enough to be in debt to his concern, was thoroughly disproved at the December "Christmas Jinks and Ladies' Night," given by the Los Angeles association when he demonstrated that he is a thoroughly normal human being who knows how to play as well as to work.

Never in its history has the Los Angeles association had such a wonderful meeting. Chairman Kinne of the entertainment committee had warned months in advance that the December meeting was to be given exclusively to having a good time, which naturally meant throwing down the bars to the credit men's ladies, besides the credit ladies of the association of whom there are at least fifty at every meeting. He had worked up so much enthusiasm that though arrangements had been made for 650 people as a possible outside figure, there were over three to four hundred late requests for reservations which it was not possible to take care of. If satisfactory arrangements could have been made there would have been at attendance of over eleven to twelve hundred. The 650 lucky ones were treated to an evening

which will be long remembered in which was given the opportunity of greatly widening acquaintanceship within the association.

Following an interesting program of vaudeville by artists, many of whom gave their time and talent, there was a yielding to the spirit of the season and a reception given Santa Claus who distributed real honest-to-goodness gifts to every man and woman present. Gifts were donated by over 250 houses connected with the association. At the conclusion of the meeting an enthusiastic vote of thanks was given President Bremner and Chairman Kinne for a most unusual and delightful meeting.

Digests of Magazine Articles

Memphis.—The Bulletin of the Memphis Association recently devoted several pages to carefully compiled digests of articles on business correspondence, in class publications, which cannot fail to be of value to credit men.

Director Simpson's New Honors

New Orleans.—W. P. Simpson, of C. T. Patterson Co., New Orleans, La., a director of the National Association of Credit Men, has been made president of the Association of Commerce of the City of New Orleans.

Mowbray With Asbestos Association

New York.—Arnold A. Mowbray, formerly manager of the Membership Department and of the Bureau of Public Information of the National Association of Credit Men, has been appointed Commissioner of the Asbestos Brake Lining Association, 17 W. 42nd Street.

Norfolk-Tidewater Increases Dues

Norfolk.—The increase of dues recently voted by the Norfolk-Tidewater association assures larger and better service for members of this active association.

"Mr. and Mrs." May Go to Atlanta Convention

Philadelphia.—The member of the Philadelphia association who secures one or more new members is entitled to one or more guesses as to the number of members in the association as of May 31. The man who guesses correctly will receive a free trip for himself and his wife to the annual credit men's convention to be held this June at Atlanta.

Worcester Passes Membership Quota

Worcester.—Paul Fielden, Norton Co., writes that the Worcester association has passed its membership quota of 177 and is now out for at least 200.

Pittsburgh Ladies' Night

Pittsburgh.—The last meeting of the Pittsburgh association was an elaborate affair entitled Ladies' Night.

The address of S. C. McConahey, Vice-President of the Westinghouse Air Brake Co., was on the subject of "The Future of Credit Work as a Profession."

Pittsburgh Automobile Group

Pittsburgh.—The representatives of the automobile tire and accessory line have formed a trade group under the Pittsburgh association and will hold regular meetings for interchange of credit and to extend mutual benefits.

Credit Men, Watch Your Letters

Rochester.—The bulletin of the Rochester association says that one of the leading credit executives of that city, "who sends out his letters 'Dictated but

Local Associations Increase Dues

THE following local Associations of Credit Men have either increased their dues or are contemplating so doing in the near future:

Kansas City	\$25 to \$35
Waco	20 to 25
Baltimore	25 to 35
Norfolk	15 to 25
Toledo	25 to 35
Grand Rapids	25 to 25
Terre Haute	10 to 15
Los Angeles	12 to 20
Utica (effective April 1)	15 to 25
Youngstown (effective May 1)	20 to 25
Montgomery is to increase at least 50%	
Indianapolis plans to increase to \$25	

not read,' dictated the following paragraph to his stenographer: 'You can use your own judgment in extending credit to Mr. Blank. With us, the sky is the limit.'

"The man who received the letter found the paragraph read thus: 'You can use your own judgment in extending credit to Mr. Blank. With us, this guy is the limit.'

"Credit men, watch your letters and read before sending out."

What the National Association Is Doing

San Francisco.—The bulletin of the San Francisco association prints the following summary of what the National Association is doing:

- Advocating your cause.
- Adjusting your bankrupts.
- Restricting the fraudulent.
- Educating the unsophisticated.
- Elevating Business Credit Standards.
- Advancing your interests.
- Simplifying your collections.
- Protecting your credits.
- Curtailling your losses.
- All accomplished by co-operation.

Every commercial and financial concern whose business requires the granting of credit should be a member of the San Francisco Association of Credit Men.

High Quality of Interchange Service

St. Joseph.—At the annual meeting of the St. Joseph association, L. H. Smith, Hax-Smith Furniture Co., was elected president, W. E. Smith, Hammond Packing Co., vice-president; Chas. F. Billingsley, Fidelity Trust Co., treasurer, and R. D. King, International Harvester Co., secretary.

E. D. Plummer made an appeal for a greater interest in interchange service

pointing out that the St. Joseph membership in the interchange bureau, carried on jointly with Kansas City, had fallen to sixteen, though it had been agreed that twenty would be necessary for St. Joseph to maintain a director on the board. He spoke in the highest terms of the quality of information to be obtained from interchange bureaus, pointing out that they in no way conflict with mercantile agency service but tends to stimulate the agencies to improve their reports.

Mr. Plummer was followed by Geo. D. Kenyon and L. C. Smith of Kansas City who had come to lead a discussion of interchange bureau affairs. There followed brief remarks by the newly elected officers.

Washington Association Publicity

Washington.—When Ex-Senator Burton, of Ohio, addressed a recent meeting of the Washington association, a great deal of newspaper publicity was secured throughout the country because the speech was of genuine news value and because Secretary Shealey had (1) arranged to have address broadcast across nation. (2) Notified all local associations to this effect. (3) Notified all organizations in Washington and Baltimore of the affair. (4) Got a copy of speech three days ahead of time. (5) Had copies mimeographed and distributed to all newspaper representatives in Washington.

A Credit Demonstration Amid Appropriate Settings

Youngstown.—The Youngstown association recently called together over 100 of its members in evening meeting for a practical study of adjustment bureau cases. In the demonstrations nothing was omitted to make them impressive and realistic. The various scenes had their appropriate stage settings. There was the embarrassed debtor and his wife, the adjustment bureau manager, the principal and minor creditors, a former bankrupt who made it his business to poison the mind of the embarrassed debtor against his creditors and several telling credit interchange reports on the embarrassed debtor. The Youngstown members have proved that this sort of meeting impresses its practical lesson and is highly popular.

Conditions in Tampa

Tampa.—President Thomas of the Tampa Hardware Co., who has just completed another year as president of the Tampa association, writes to the National office contrasting business conditions in Tampa today with those of ten and twelve years ago. "Prior to the formation of the Tampa association," he said, "the conditions in the Tampa market were chaotic. There were no facilities for understanding each other. Creditors pounced upon embarrassed merchants and fought each other and merchants alike for the first and best money. The result was that nobody got satisfaction and the unfortunate was kicked into helplessness and hopelessness."

The Tampa association began with a small nucleus of twelve members. Later came an adjustment and interchange department and now by force of its position, the association includes

(Continued on page 22.)



The Credoscope

By Secretary-Treasurer

J. H. TREGOE

National Association of Credit Men

A LITTLE COUEISM FOR CREDIT DEPARTMENTS

THE CONTROLLING FORCE of suggestion cannot be disputed. Men are just what they think, and their thought is governed by impressions. People seldom disappoint our expectations.—If these things are so, and I believe they are, then we should carefully direct our suggestions, and see to it that they are always constructive.

In writing collection letters, it is a mistake even to imply that the proper response will not be made. Suggest to the man at the other end of the line nothing but the belief that he will respond with a remittance, that you are looking for nothing less. Should there run through the letter an undercurrent of fear that the desired response will not be made, you can put it down as almost certain that it will not be made.

When endeavoring to render business service, never suggest failure to merchants; suggest nothing but success. The control of human action by thought is one of the wonderful functions of the mechanism within us. There is no gainsaying the truth, however, that we respond usually to suggestion, and, therefore, suggestion should be constructive, not destructive—positive, not negative.

I did not reach these conclusions by following the philosophy of the eminent French druggist. I have found them of value in some of my own work, and I believe they are worthy of a test.

FEDERAL RESERVE SYSTEM SAVED BANKS IN FARM SECTIONS

AS TIME ELAPSES, we discover new situations that intensify our sincere wonderment that 1921 did not produce the most serious cataclysm of the Nation's history. With credit most blunderingly inflated, with commodities bought at an ungodly peak of prices, with everything shaped up for a serious crash, something happened to prevent it, and we had only a disturbance.

In registering from time to time our sincere respect and gratitude to the Federal Reserve System, we have spoken entirely of its benefits to the merchandise debtor. We have emphasized the vigorous

manner in which the delicate operation was carried out of lowering the pyramid of inflated credits, helping thereby to avoid a very expensive crash.

In passing through parts of our agricultural and grazing country recently, I was brought to the realization that aside from the benefits derived by mercantile business from the Federal Reserve System, that it had saved the failure of many banks in the agricultural sections, which in the midst of the orgy crowded themselves with non-liquidating credits.

All of us should know that the Federal Reserve Banks have a most agile and co-operative service department. At the first note of distress, assistance is at hand; the tottering institution is held up so long as there is a chance in the world to pull it through. My admiration for the administration of the System has, therefore, been intensified. My opinion is based not merely on stories I have heard: I have seen with my own eyes. I speak whereof I know. There isn't a doubt but what discretion was thrown to the winds by many banking institutions in the agricultural and grazing sections of our country. Had it not been for the Federal Reserve Banks, the failures of these institutions would have been appalling. As it is, failure among member banks is negligible. The much larger percentage of mortality among banking institutions in the past two years is in the ranks of the non-member banks—those which divorced themselves, those which could not or would not secure for themselves the protection and service of this very useful system.

I understand more vividly than ever why a cataclysm did not occur in 1921. It would have come beyond a shadow of a doubt had our business and our banks been without the supporting and protecting services of the Federal Reserve System. I say fervently, "All glory to it and all confusion to its enemies."

THE CREDIT OF THE FARMER

THERE IS a crying need for a school on Credits. The term Credits is bandied about in public discussions without knowledge of its primary laws, as it were merely some sweet morsel to the tongue. Credit cannot be manufactured. It is not some-

thing that stands by itself alone. Credit is founded on material values, supported by character and capacity. When demanding for the farmer long term credit facilities and providing for such facilities through a medium separate entirely from the commercial banking system, there must be taken into account this potent fact: Such facilities will be productive and preserve the integrity of credit only when granted to the farmer whose character and capacity entitle him to the confidence. To grant farm credits indiscriminately would in many ways injure rather than help. Such credit facilities are in my opinion subordinate to the pressing need of better system in our agriculture. A merchandise enterprise will not succeed no matter how generous its credit facilities are unless the enterprise is operated on sound and practical lines. The farmer likewise will not succeed, no matter what generous credit facilities he may enjoy, who does not operate his farm as a business enterprise upon sound and practical principles.

We could visit many of our farm enterprises without ever hearing the usual noises of the barnyard, and we could look in vain for the hen, the cow and the hog. Such a farm, in my opinion, would never succeed year in and year out, no matter what credit facilities might be extended the farmer.

When the farm grown supplies of the household have to be bought at a store, just as is done by city folk, the chances are that such a farmer will not succeed. The farm must produce articles for home consumption, keeping the overhead at a small sum and leaving the principal production to furnish profit for the enterprise.

There is no gainsaying the fact that we have too little skill in the operation of our farms. The seriousness of this is apparent when we remember that the farmlands of the country are its largest asset, appraised at seventy-eight billions of dollars. When this large capital isn't producing profits, then the general prosperity is affected unfavorably.

We are all vitally interested in the farmer. He must succeed for the Nation's sake. With the provision, therefore, of proper credit facilities for the farmer, there must be a demand for the qualities that will insure the liquidation of the credits. There must be just as much character and capacity in the farm enterprise as we require in the conduct of the business enterprise.

CREDIT WASTE AT LEAST 500 MILLIONS IN 1922

THE LIMITATIONS of our observing powers are nowhere more clearly demonstrated than in the rapid flow of events which is taking place under our very eyes, and which we seldom pause for a moment to consider.

The commercial and economic changes in our

country during the past quarter of a century are astonishing. In 1896 the chief economic problem was low prices. How to levitate prices brought many suggestions, which culminated in the theory of free silver. I should say without critical research that our domestic commerce has quadrupled in this period and prices have tripled.

In comparing credit conditions of today with the earlier period, this levitation of price and acceleration of commerce must be taken into account. Bradstreet's records 1,086,056 enterprises in 1896. In 1922 the number had increased, according to the same authority, to 2,074,617. The commercial fatalities in 1896 were 1.20 of the enterprises; in 1922, 1.08.

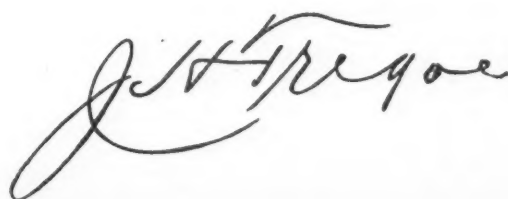
From 1896, the year of the organization of the National Association of Credit Men, commercial failures did not rise above 1 per cent. in any year, except during 1915 and 1922.

For the decade prior to 1896, there was but one year in which the fatalities were less than 1 per cent. The excess of liabilities in the failures of 1922 as compared to the excess of 1896 is very much larger in volume, but on the basis of 1896 prices, this disproportion would disappear. The failures of 1922 were more numerous than the failures of 1921, but the liabilities involved were slightly larger in 1921.

In a survey of this subject, we must take into account the very many friendly liquidations of which no public record is made and that could hardly be computed in the statistics of the agencies. We are, therefore, led to say that the credit waste of 1922 was at least five hundred millions. The serious side of this survey is that a large share of this loss could not be charged directly to credit departments. Producers and distributors were swept off their feet and the most serious orgy indulged that ever was registered in American history.

If this severe depletion of the nation's wealth serves as a lesson and will lead to more intelligent uses of credit, it will have proved a good investment, not a waste. I despair at times, however, of seeing the common sense treatment of credit brought about when I encounter so many foolish things and a dense ignorance of credit principles in the business world as a whole.

We should pause and reflect on the credit tragedy of 1921 and 1922. We should say with all our souls, "Never again!"



Nation-Wide Activities of Credit Men

(Continued from page 19.)

practically all the wholesale houses and banks of the city. It has brought them together for a systematizing of credits, adjustments and collections and this work is representing the interest not alone of the creditors but the debtors who have their problems to solve and in these operations the creditors have been saved from total loss and debtors from complete ruin. Citing the service of the bureau associations, Mr. Thomas pointed out that the Adjustment Bureau had handled during the year 117 cases and had paid to creditors in assignment and similar cases an average dividend of 41 per cent which compares with creditors in bankruptcy cases, who have realized but twelve per cent. The Interchange Department has been serving 65 members with more than 47,000 reports.

Officers at St. Joseph

St. Joseph.—The St. Joseph association has the following officers and directors: Pres., L. H. Smith, Hax-Smith Furniture Co.; Vice-Pres., W. E. Smith, Hammond Packing Co.; Treas., Chas. F. Billingsley, Fidelity Trust Co.; Sec., R. D. King, International Harvester Co. Directors: W. A. Masters, John S. Brittain Dry Goods Co.; E. N. Van Horne, American National Bank; S. B. Brauhan, Carder Wholesale Grocery Co.; T. B. O'Connor, Wheeler-Motter Merc. Co.

Billings Going Strong

Billings.—The present condition and the outlook for the Billings association are excellent according to Sec. Raymond Hough, 512 Securities Bldg., who reports the following elections for 1923: Pres., A. L. Greenleaf, Northwestern Distributing Co.; Vice-Pres., F. W. Marble, Montana National Bank; H. E. Reckard, Lindsay-Billings Co.; H. S. Roberts, Midland Fruit Co.; C. D. Wiggenhorn, Wiggenhorn Bros., Inc.; V. E. Sampsel, Yellowstone Creamery; W. O. Lundberg, Stone-Ordean-Wells Co.; H. C. Carpenter, Carpenter Paper Co.; Frank von Eschen, Ryan Grocery Co.; A. L. Greenleaf, Northwestern Distributing Co. Each of the committees is in charge of an enthusiastic worker as follows: Office, F. W. Marble; Finance, Frank Von Eschen; Entertainment, C. D. Wiggenhorn; Legislative, H. E. Reckard; Credit Interchange, W. W. Beeman; Membership, H. S. Roberts; I. & P., Dean Wright.

Bluefield-Graham Officers

Bluefield.—The Bluefield-Graham association has elected the following officers for 1923: Pres., J. E. McMullin, Bluefield Grocery Co.; Vice-Pres., C. W. Sec-Treas., W. P. Ryan, Bluefield Hays, Economy House & Material Co.; Bakery, P. J. Alexander, Flat Top Grocery Co.; C. A. Lilly, Bluefield Hardware Co., and C. A. Cawley.

Pres. Taylor of Kalamazoo

Kalamazoo.—George K. Taylor, Taylor Produce Co., is the newly elected president of the Kalamazoo association. Ben Steers, Kalamazoo Ice and Fuel Co., is vice-president. These two and H. W. White, O. P. Johnson, Harry J. Broomhall and W. C. Oldfield constitute the board of directors. The secretary is F. G. Dewey, Kalamazoo City Savings Bank.

New Milwaukee President

Milwaukee.—The trade group idea is being fully developed by the Milwaukee association whose members find great value in this close co-operation by trades.

E. N. Kullman, Wadhams Oil Co., has been elected president of the association to fill the unexpired term of R. J. Dempsey, resigned.

Montgomery Leaders

Montgomery.—The officers of the Montgomery association are Pres., Murray, W. Dantzie, Jr., Swift & Co.; 1st Vice-Pres., V. G. Wilson, Steiner-Lobman Dry Goods Co.; 2nd Vice-Pres., C. H. Cook, Solomon Bros.; Treas., R. Emmett Seibels, Fourth National Bank; Sec., J. M. Holloway, Credit Reporting Co. Executive Committee: Clayton Tullis, Tullis-Gamble Hdwe. Co.; Leon Trousdale, Alabama Machinery & Supply Co.; I. Moog, Winter Loeb Grocery Co.; Michel Loeb, Loeb Hdwe. Co.; Leo Gassenheimer, Mercantile Paper Co.

Roanoke Officers

Roanoke.—Following are the officers and directors of the Roanoke association for the ensuing year: Pres., J. E. Easter, Easter & Wimmer, Inc.; 1st Vice-Pres., B. A. Marks, W. G. Jones & Co.; 2nd Vice-Pres., P. Stonesifer, National Exchange Bank; Sec.-Treas., H. W. Hobson, Roanoke City Mills, Inc. Directors: M. S. Noffsinger, Roanoke Paper Co.; J. R. Turner, Roanoke Drug Co.; W. F. Davis, Roanoke Sunlight Bakery; W. R. Ramey, Victory Specialty Co.; John Nelson, Nelson Hdw. Co.; Wm. Paxton, Griggs-Paxton Shoe Co.; J. E. Robinson, Lindsey-Robinson Co.; W. A. Coyne, Loose-Wiles Biscuit Co.

Leaders at San Diego

San Diego.—Here is the present board of officers and directors of the San Diego association: Pres., J. M. Purdy, Wellman-Peck Co.; Vice-Pres., R. H. Gunnis, First National Bank; Secy., Carl O. Retstloff, 573 Spreckels Bldg. Directors: L. B. Smedley, Southwestern Grocery Co.; C. G. Lykins, Pure Milk Dairy Co.; Carl O. Winter, Southern California Baking Co.; M. E. Burns, Klauber-Wangenheim Co.

Local Officers and Directors In Charge at Beaumont

Beaumont.—The officers and directors for the ensuing year of the Beaumont association are the following leading Texan credit grantors: Pres., L. B. Cohen, Beaumont Dry Goods & Notion Co.; Vice-Pres., Geo. W. Brown, Texas National Bank; Treas., Walter T. Boles, Tyrrell Hardware Co.; Secy., R. F. Chance, 435 Weiss Building. Directors: Chas. L. Berly, E. L. Wilson Hardware Co.; D. C. Proctor, Jefferson Drug Co.; H. E. Grumsen, Armour Packing Co.; Chas. C. Chinski, Josey-Miller Co.

New St. Louis Secretary

St. Louis.—S. O. Livingston, who has had considerable experience as credit manager, has succeeded G. F. Bentrup as secretary of the St. Louis association.

There was an attendance of about 300 at a recent meeting addressed by National Sec.-Treas. Tregoe.

Local Chapters

of the National Institute of Credit

Local chapters are now functioning in the following cities: Albany, Atlanta, Baltimore, Boston, Chicago, Cincinnati, Cleveland, Columbus, Des Moines, Detroit, Kansas City, Lansing, Memphis, New York, New Orleans, Philadelphia, Pittsburgh, Salt Lake City, Toledo, and Washington, D. C.

Albany Local Chapter

Forty-seven students in Albany have joined the local chapter which was organized in November. The membership is recruited not only from the younger credit men but from some of the veterans in the Association all of whom are enthusiastic on the value of the work. The members themselves are conducting the course with the help of material supplied by the National Institute.

Lawrence E. Eberhard of the Hyatt Roller Bearing Company has just been awarded the Junior Certificate for the completion of the following courses:

Credits and Collections
Economics
Business English
Accounting
Law of Contracts.

Mr. Eberhard is working now for the Senior Certificate or Fellowship in the National Institute of Credit.

Atlanta Local Chapter

The local chapter in Atlanta has been active since the Fall studying Credits and Collections, and Economics. The membership is now 16. What it lacks in membership it makes up in enthusiasm. The officers elected are as follows: President, F. H. Dendy, Carter Electric Co.; 1st Vice-President, B. L. Boulineau, N. Bodenheimer & Bro.; 2nd Vice-President, F. C. Pfeffer, The Texas Co.; Secretary, Herndon Thomas, Atlanta National Bank; Treasurer, J. W. Young, Beck & Gregg Hdwe. Co.; Librarian, W. H. Fields, Foote & Davies Co.

Memphis Local Chapter

A local chapter has just been organized in Memphis with an initial membership of 27 students. The class will study Credits and Collections, making use of the correspondence material and drawing on its members for discussion and talks on special topics. The following officers were elected at the last meeting: President, W. L. Robinson, Southwestern Milling Co.; 1st Vice-President, L. C. Whitten, J. T. Fargason Co.; 2nd Vice-President, John D. Davis, Oliver Chilled Plow Works; Secretary, M. S. Jones, John Morrell & Co.; Treasurer, R. C. Cockcroft, Clavton-Hughes Co.; Librarian, T. J. Doepeke, Credit Interchange Bureau.

New Orleans Chapter

Upon the invitation of G. L. Woolley, Instructor in Charge of the class in Credits being conducted jointly by the New Orleans Chapter of the National Institute of Credit and the American Institute of Banking, former members of the class and the membership generally of the New Orleans Credit Men's Association, joined in the regular weekly meeting held Wednesday evening, January 17th.

The enlarged meeting was occasioned by a special talk given by Mr.

James J. A. Fortier, President of the Commercial Credit Company of New Orleans on "The Finance Company—its place in the American Credit and Financial System." As a stroke of good fortune. William H. Grimes, President of the Commercial Credit Company, of Baltimore, arrived in New Orleans the morning of the meeting, and Mr. Fortier prevailed upon him to attend. As a consequence, those present were favored with addresses by two presidents of the largest type of organizations of their kind in their respective vicinities. Mr. Fortier restricting his talk to the financing of automobile paper, and Mr. Grimes covering the purchase of accounts receivable.

The meeting, which was very well attended, inaugurates a series of simi-

lar meetings at which the membership at large of the New Orleans Credit Men's Association will be asked to "listen in" with the class of Credits.

Columbus Local Chapter

With approximately fifty per cent of the members from last year's class in "Credits and Collections" signing up again, and with a few additional members joining, the Columbus chapter of the Credit Institute is carrying on once more. The class is under the direction of Prof. Theodore N. Beckman of the College of Commerce and Journalism of the Ohio State University and the first session was held on November 15th.

The subject taken up this year com-

prises a study of Corporation Finance, where the internal organization and financial structure of corporations are carefully studied and analyzed. A. S. Dewing's "Corporation Finance" is used as the text and is supplemented with lectures by the Instructor and problems, the latter being designed primarily for illustrative purposes and are made as practical as possible. The course is divided into five parts.

The local chapter also expects soon to commence its special meetings, where certain important or mooted questions and problems on "Credits and Collections" are to be discussed. Some of these meetings will probably be held in conjunction with the monthly meetings of the local Association of Credit Men.

The Upward Trend of Business

Returns from Questionnaire

By the Director of Research

National Association of Credit Men

IN order to determine whether the upward trend in business was being accelerated, maintained or slackened in the month of January, and whether it was expected to continue for the next three months a questionnaire was sent out to a large number of business firms in many lines in virtually all parts of the country. There were 220 replies.

The following questions were asked:
1. Sales for January 1923 as compared with December 1922?

better
stationary
worse

2. If sales were better—was improvement seasonal?

If sales were poorer—was decline seasonal?

3. Did sales for January 1923 as compared with December 1922

exceed
equal
or fall below

your expectations based on the volume of business of the preceding 3 months?

4. Collections for January 1923 as compared with December 1922.

better
stationary
worse

5. If collections were better—was improvement seasonal?

If collections were poorer—was decline seasonal?

6. Do you expect your business in the next 3 months to:

improve
remain stationary
or decline

7. If you foresee an improvement in your business, on what factors do you base your optimistic outlook?

8. If you foresee no improvement or a falling off in your business on what factors do you base this forecast?

GENERAL SUMMARY

Some of the outstanding conclusions, based upon the examination of the returns, are as follows:

1. The upward trend for business as a whole was maintained or accelerated in January.

2. Sales for January 1923 exceeded those for December 1922 in all lines except confectionery (where the seasonal factor entered too strongly).

3. The improvement in January sales was in many cases in the face of an expected seasonal decline.

4. The decline in sales reported were in virtually every case stated to be seasonal.

5. Collections for January 1923 showed an improvement over collections for December 1922, except in lines where seasonal factors entered very strongly.

6. Improvements in collections were in many cases in the face of expected seasonal declines.

7. Declines in collections reported were in virtually every case stated to be seasonal.

8. 63% of those reporting stated that business for January exceeded expectations for January business based on the volume of the business of the preceding 3 months.

9. 22% of those reporting stated that business for January equalled expectations based on the volume of business of the preceding 3 months.

10. Only 15% reported that business for January fell below expectations based on the volume of business during the preceding 3 months.

11. 86% expect business to improve during the next 3 months.

12. Only 14% expect business to remain stationary during the next 3 months.

13. 0% expect business to decline during the next 3 months.

14. The improved farm situation, higher and rising prices for farm products, and the extensive building operations now under way and in prospect, were the principal reasons assigned for the expected improvement in business.

15. Where no improvement in business is expected, the farm situation, the disparity between prices of farm products and other products were assigned as the reasons.

16. The industrial sections of the country report better business and better business prospects than the agricultural sections.

17. Higher and rising prices for cotton and grain are restoring trade and confidence in Southern and Middle Western states which have formerly suffered because of the disparity of prices.

18. Another harvest and good prices will be necessary before the farmer will be able to buy in his former quantities in many sections of the South and Middle West and West.

19. Conditions in the mountain states of Utah, Montana and Idaho are still far from satisfactory, with the farmers' condition in Idaho still desperate.

20. The rise in the price of copper and other Utah products is, however, reviving business in Utah.

21. The rising market is responsible for larger orders for future delivery in many lines.

22. Low stocks of merchandise play a prominent factor in several lines particularly in the shoe industry, and to a less extent in the dry goods industry.

TRADE GROUPS RELATED TO THE CONSTRUCTION INDUSTRY

FURNITURE

CARPETS AND FLOOR COVERINGS.

States represented: Illinois, Indiana, Kansas, New York, Texas, Wisconsin.

1. Six reported sales better in January, 1923, than in December, 1922; one reported sales worse in January, 1923, than in December, 1922 (Texas); one reported sales stationary in January, 1923, as compared with December, 1922.

2. Two reported that the improvement in sales was seasonal; four reported that the improvement in sales was not seasonal. The one reporting sales poorer stated that the decline was seasonal.

3. Six reported sales for January, 1923, as exceeding expectations based on preceding three

months; two reported sales for January, 1923, as equaling expectation based on preceding three months; one reported sales for January, 1923, as falling below expectations.

4. Five reported collections for January, 1923, as better than December, 1922; one reported collections for January, 1923, as worse than December, 1922; three reported collections for January, 1923, stationary as compared with December, 1922.

5. Of the five reporting collections better, three stated they were seasonal; two stated they were not seasonal. The one reporting collections worse stated that the decline was seasonal.

6. Eight expected business to improve in the next three months; one expected business to remain stationary in the next three months and none expected business to decline in the next three months.

7. Among the factors listed as the basis for improved conditions, extensive building operations in 1922 and the excellent building prospects for 1923, advances in the prices of farm products, were most frequently mentioned. Other comments are: "Favorable outlook for wheat crop."—Kansas. "Advance in the price of oil and liquidation by cotton farmers of their old paper."—Texas.

HARDWARE

States represented: Alabama, California, Connecticut, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, New Jersey, New York, Ohio, Texas, Utah, Washington, Wisconsin.

1. Nineteen reported sales better in January, 1923, than in December, 1922; two reported sales worse in January, 1923, than in December, 1922; two reported sales stationary in January, 1923, as compared with December, 1922.

2. Eight stated that the improvement was seasonal, while ten stated that the improvement was not seasonal. The two reporting poorer sales both stated that the decline was seasonal.

3. Fifteen reported sales for January, 1923, as exceeding expectations based on preceding three months; seven reported sales for January, 1923, as equaling expectations; one reported sales for January, 1923, as falling below expectations.

4. Eight reported collections for January, 1923, better than December, 1922; ten reported collections for January, 1923, poorer than December, 1922; four reported collections for January, 1923, stationary.

5. Of those reporting collections better, only one states that the improvement was seasonal, while six stated that the improvement was not seasonal. All those who reported collections poorer—stated that the falling off in collections was seasonal.

6. Eighteen expected business to improve in the next three months, while only four expected business to remain stationary and none expected business to decline.

7. Chief among the factors making for improvement were the following: Excellent prospects for building; improved farm conditions and crop prospects; improvement in lumbering industry (Wash.); middle western farmers now marketing grain that previously could not be marketed because of car shortage (Ia.); farmers liquidating old bills and buying new merchandise, low stocks of merchandise; higher prices for agricultural products generally, marketing of orange crop and large number of tourists (Fla.).

LUMBER

States represented: Connecticut, Minnesota, New York, Ohio, Texas.

1. Three reported sales better in January, 1923, than in December, 1922; one reported sales worse in January, 1923, than in December, 1922; one reported sales stationary in January, 1923, as compared with December, 1922.

2. Two reported that the improvement in sales was seasonal; one reported that the improvement in sales was not seasonal; one reported that the decline was seasonal.

3. Two reported sales for January, 1923, as exceeding expectations based on preceding three months; two reported sales for January, 1923, as equaling expectations; one (Minn.) reported sales for January, 1923, as falling below expectations based on the preceding three months' business.

4. One reported collections for January, 1923, as better than December, 1922; two reported collections for January, 1923, as worse than December, 1922; two reported collections for January, 1923, stationary as compared with December, 1922.

5. The one reporting collections better stated that the improvement was seasonal. Of the two reporting collections poorer, one states that the decline was seasonal and the other that it was not.

6. All five reporting, expected business to improve in the next three months.

7. Among the reasons given for improved business prospects, the following were mentioned: excellent building outlook, increased demand by industries, improvement in employment situation.

PAINTS AND VARNISH

States represented: Connecticut, Illinois, Indiana, Kansas, Kentucky, Missouri, Montana, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, Texas, Vermont, Washington.

1. Eighteen reported sales better in January, 1923, than in January, 1922; one (N. Y.) reported sales worse in January, 1923, than in December, 1922; one (Vt.) reported sales stationary in January, 1923, as compared with December, 1922.

2. Nine reported that the sales were seasonal, while eight reported that the sales were not seasonal. The one reporting poorer sales stated that the decline was seasonal.

3. Seventeen reported sales for January, 1923, as exceeding expectations based on the preceding three months; three reported sales for January, 1923, as equaling expectations; none reported sales for January, 1923, as falling off.

4. Eleven reported collections for January, 1923, as better than December, 1922; three reported collections for January, 1923, as worse than December, 1922; six reported collections for January, 1923, as stationary as compared with December, 1922.

5. Four stated that the improvement in collections was seasonal; five stated that the improvement in collections was not seasonal. Of the three reporting poorer collections two stated that the falling off was seasonal.

6. Eighteen expected business to improve in the next three months; two (Mont. and Wash.) expected business to remain stationary in the next three months, while none expected a decline in business.

7. Among the factors listed as justifying an improvement, higher prices for farm products, the large building operations of 1922 and the building prospects for 1923, are the predominant factors. Some of the comments are as follows: Higher prices for cotton and rising prices generally—Texas; liquidation of old obligations by farmers, good crop conditions and prospects (Texas); rise in price of oil, prospect of good crops, and good prices—Kansas. The industrial sections of the country emphasize the lack of unemployment and general improvement in industrial conditions.

PLUMBING AND BUILDING SUPPLIES

States represented: California, Indiana, Montana, Oregon, South Dakota, Utah, Washington.

1. Five reported sales better in January, 1923, than in December, 1922; two reported sales worse in January, 1923, than in December, 1922; one reported sales stationary in January, 1923, as compared with December, 1922.

2. Four reported that the improvement in sales was seasonal; one reported that the improvement was not seasonal. The two reporting business worse stated that the decline was seasonal.

3. Four reported sales for January, 1923, as exceeding their expectations; four reported sales for January, 1923, as equaling their expectations; none reported sales for January, 1923, as falling below their expectations.

4. Two reported collections for January, 1923, as better than December, 1922; two reported collections for January, 1922, as worse than December, 1922; four reported collections for January, 1923, as stationary compared with December, 1922.

5. Of those reporting collections better, one stated that the improvement was seasonal and one that it was not seasonal. The two that reported collections poorer, stated that the decline was seasonal.

6. Seven expected business to improve in the next three months; one expected business to remain stationary in the next three months; none expected business to decline in the next three months.

7. Among the factors given as making for improvement, building activity and building prospects were prominently mentioned. Other factors are better prices for agricultural products—S. D.; stimulation of industries, particularly copper—Utah.

OTHER BASIC LINES

CLOTHING

States represented: Illinois, Indiana, Kentucky, Utah.

1. Three reported sales better in January, 1923, than in December, 1922; three reported sales worse in January, 1923, than in December, 1922; one reported sales stationary in January, 1923, as compared with December, 1922.

2. Three reported that the improvement in sales was seasonal; three reported that the decline in sales was seasonal.

3. Two reported sales for January, 1923, as exceeding expectations; one reported sales for January, 1923, as equaling expectations; three reported sales for January, 1923, as falling below expectations.

4. One reported collections for January, 1923, as better than December, 1922; four reported collections for January, 1923, as worse than December, 1922; two reported collections for January, 1923, as stationary as compared with December, 1922.

5. The one reporting collections better was seasonal; the four reporting collections poorer were seasonal.

6. Five expected business to improve in the next three months; two expected business to remain stationary in the next three months; none expected business to decline in the next three months.

7. Chief among the factors listed by the clothing group as promising better conditions were the rising market, generally improved crop conditions. Low stocks were also mentioned. The one who expected business to remain stationary gave as his reason the rising market, too much sales resistance, prices too high (Ill.).

PROVISIONS

States represented: California, Idaho, Illinois, Minnesota, Kansas, Montana, North Dakota, Texas, Utah, Washington, Wisconsin, Oklahoma.

1. Seventeen reported sales better in January, 1923, than in December, 1922; five reported sales worse in January, 1923, than in December, 1922; two reported sales stationary in January, 1923, as compared with December, 1922.

2. Nine reported that the improvement in sales was seasonal; six reported that the improvement in sales was not seasonal; five reported that the decline in sales was seasonal.

3. Twelve reported sales for January, 1923, as exceeding expectations; four reported sales for January, 1923, as equaling expectations; seven reported sales for January, 1923, as falling below expectations (Idaho, Mont., Ohio, Rhode Island, Utah).

4. Seven reported collections for January, 1923, as better than December, 1922; nine reported collections for January, 1923, as worse than December, 1922; eight reported collections for January, 1923, as stationary as compared with December, 1922.

5. Four reported improvement seasonal; three reported improvement not seasonal; five reported decline was seasonal; four reported decline was not seasonal.

6. Nineteen expected business to improve in the next three months; five expected business to remain stationary in the next three months; none expected business to decline in next three months.

7. Among the factors most frequently mentioned were increased prices for farm products, good crop prospects and general employment. Two of the comments are as follows: Higher prices for crude oil—Okla., higher prices for cotton—Texas.

8. Those who reported that they expected business to remain stationary during the next three months gave as their reasons: Farmers all broke, no hope for improvement until another crop is grown and sold—Idaho; farmers and mines not realizing enough on their products—Utah; Low price of farm products—N. D.; Local conditions still unfavorable—Mont.

CONFECTIONERY

States represented: Alabama, California, Illinois, Indiana, Kansas, Maryland, Massachusetts, Minnesota, New York, Ohio, West Virginia, Wisconsin.

1. Two reported sales better in January, 1923, than in December, 1922; ten reported sales poorer in January, 1923, than in December, 1922; two reported sales stationary in January, 1923, as compared with December, 1922.

2. Of the two who reported an improvement one was seasonal, one was not. All those who report sales worse stated that the declines were seasonal.

3. Six reported sales for January, 1923, as exceeding their expectations; two reported sales for January, 1923, as equaling their expectations; six reported sales for January, 1923, as falling below their expectations.

4. Seven reported collections for January, 1923, as better than December, 1922; three reported collections for January, 1923, as worse than December, 1922; three reported collections for January, 1923, as stationary compared with December, 1922.

5. Six stated the improvement in collections was seasonal; one stated the improvement in collections was not seasonal; two stated the decline in collections was seasonal; one stated the decline in collections was not seasonal.

6. Ten expected business to improve in the next three months; three expected business to remain stationary in the next three months; none expected business to fall off in the next three months.

7. Under the factors listed as making for improvement were the (seasonal) prospects of Easter business, and improved manufacturing and farming conditions.

DRY GOODS

States represented: Alabama, California, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, New York, Oklahoma, Oregon, South Carolina, Texas, Washington, West Virginia, Wisconsin.

1. Twenty-eight reported sales better in January, 1923, than in December, 1922; one (W. Va.) reported sales worse in January, 1923, than in December, 1922; four reported sales stationary in January, 1923, as compared with December, 1922.

2. Sixteen reported that the improvement in sales was seasonal; eight reported that the improvement in sales was not seasonal. The one reporting sales poorer stated that the decline was seasonal.

3. Twenty-four reported sales for January, 1922, as exceeding their expectations; eight reported sales for January, 1922, as equaling their

expectations; none reported sales for January, 1923, as fell below expectations.

4. Sixteen reported collections for January, 1923, as better than December, 1922; eight reported collections for January, 1923, as worse than December, 1922; seven reported collections for January, 1923 as stationary, compared with December, 1922.

5. Ten stated that the improvement in collections was seasonal; five stated that the improvement in collections was not seasonal. All eight reporting a decline stated that it was seasonal.

6. Twenty-two expected business to improve in the next three months. Only one (Mich.) expected business to remain stationary.

7. Among the factors making for improvement, the following were most frequently mentioned: upward price trend in market, rising price of cotton; rising prices generally; shortage of merchandise in retailers' stocks. Some of the comments were as follows: Activity in the steel industry—Ga.; General improvement in conditions in cattle and farming country—Kans.; Better prices for cotton and lumber—Fla.; Advancing prices of cotton and cotton goods—liquidation of old debts—sounder farming methods—Ga.

DRUGS

States represented: Alabama, California, Iowa, Kentucky, Minnesota, Missouri, Ohio, Oregon, Texas, Michigan.

1. Twelve reported sales better in January, 1923, than in December, 1922; one reported sales worse in January, 1923, than in December, 1922.

2. Seven reported the improvement in sales was seasonal; five reported the improvement in sales was not seasonal.

3. Eleven reported sales for January, 1923, as exceeding their expectations; two reported sales for January, 1923, as falling below their expectations (Minn. and Mo.).

4. Eight reported collections for January, 1923, as better than December, 1922; three reported collections for January, 1923, as worse than December, 1922; two reported collections for January, 1923, as stationary compared with December, 1922.

5. Six reported that the improvement in collections was seasonal; two reported that the improvement in collections was not seasonal. Of the three reporting poorer collections, one stated that the decline was not seasonal and the other two that it was not seasonal (Minn. and Ia.).

6. Nine expected business to improve in the next three months; four expected business to remain stationary in the next three months; none expected business to fall off in the next three months.

7. Among the factors given most frequently as the reasons for expecting better business were the following: Improved farm situation as a result of better transportation, upward trend in prices, considerable sickness.

8. From those who expected no improvement came the following reasons: No improvement to be expected until another harvest season—money is scarce in rural districts (Minn.). Farmers not on their feet yet (Ia.).

JEWELRY

States represented: Rhode Island, Illinois.

1. One reported sales better in January, 1923, than in December, 1922; one reported sales worse in January, 1923, than in December, 1922; one reported sales stationary in January, 1923, compared with December, 1922.

2. Two reported that the improvement in sales was seasonal; one reported that the improvement in sales was not seasonal; one reported that the decline in sales was seasonal.

3. One reported sales for January, 1923, as exceeding their expectations; one reported sales for January, 1923, as equaling his expectations; one reported sales for January, 1923, as falling below his expectations.

4. Two reported collections for January, 1923, as better than December, 1922; one reported collections for January, 1923, as stationary compared with December, 1922.

5. Two reported that the improvement in collections was seasonal.

6. Two expected business to improve in the next three months; one expected business to remain stationary in the next three months.

7. The reasons given for the improvement were: Improved situation generally. One Rhode Island manufacturer stated: Low stocks in stores and general expression of opinion from buyers that had they had more goods for Xmas they could have sold more.

AUTOMOBILES AND SUPPLIES

States represented: Georgia, Illinois, Iowa, Indiana, Minnesota, Missouri, Montana, New York, Ohio, Oklahoma, Texas, Washington.

1. Fifteen reported sales better in January, 1923, than in December, 1922; two reported sales worse in January, 1923, than in December, 1922; three reported sales stationary in January, 1923, compared with December, 1922.

2. Seven reported that the improvement in

sales was seasonal; eight reported that the improvement in sales was not seasonal; three reported that the decline in sales was seasonal.

3. Fourteen reported sales for January, 1923, as exceeding their expectations; three reported sales for January, 1923, as equaling their expectations; three reported sales for January, 1923, as falling below their expectations.

4. Nine reported collections for January, 1923, as better than December, 1922; two reported collections for January, 1923, as worse than December, 1922; eight reported collections for January, 1923, as stationary, compared with December, 1922.

5. Four reported that the improvement in collections was seasonal; five reported that the improvement in collections was not seasonal. The two reporting poorer collections stated that the decline was seasonal.

6. Eighteen expected improved business conditions in the next three months; one expected business to remain stationary in the next three months; none expected business to decline in the next three months.

7. General improvement in farming and industry is given as the chief reason for expecting improved conditions. Some of the comments are as follows: Increased prices for oil and farm products and good crop prospects—Okla.; A great many farmers now liquidating old accounts—Tex.; Greater value of cotton and diversification of crops—Ga.; Marketing of corn crops—previously held up by car shortage, which results in increased purchasing power of farmer—Ia.; Rising prices of oil and farm products—Mo.

SHOES

States represented: California, Colorado, Connecticut, Georgia, Maine, Massachusetts, Minnesota, New Jersey, New York, Ohio, Pennsylvania, Oregon, Wisconsin.

1. Fifteen reported sales better in January, 1923, than in December, 1922; five reported sales worse in January, 1923, than in December, 1922; two reported sales stationary in January, 1923, compared with December, 1922.

2. Eleven reported that the improvement in sales was seasonal; four reported that the improvement in sales was not seasonal. The three reporting poorer sales state that the decline was seasonal.

3. Ten reported sales for January, 1923, as exceeding their expectations; ten reported sales for January, 1923, as equaling their expectations; two reported sales for January, 1923, as falling below their expectations.

4. One reported collections for January, 1923, as better than December, 1922; fourteen reported collections for January, 1923, as worse than December, 1922; four reported collection for January, 1923, as stationary compared with December, 1922.

5. The one reporting collections better stated they were seasonal; the fourteen reporting collections worse all state that the decline was seasonal.

6. Twenty expected business to improve in the next three months; three expected business to remain stationary in the next three months; none expected business to decline in the next three months.

7. The reasons given for improved prospects differ in the shoe industry from the other industries. Low stocks is mentioned most frequently. Better prices for farm products, stabilization of prices in the industry, generally improved conditions, are the other reasons given.

TEXTILES COTTON GOODS

States represented: Illinois, New York, Tennessee.

1. Four reported sales better in January, 1923, than in December, 1922; none reported sales worse in January, 1923, than in December, 1922; none reported sales stationary as compared with December, 1922.

2. Three reported that the improvement in sales was seasonal; one reported that the improvement in sales was not seasonal.

3. All four reported sales for January, 1923, as exceeding their expectations.

4. Two reported collections for January, 1923, better than December, 1922; two reported collections for January, 1923, worse than December, 1922.

5. Of the three reporting collections better, one states that the improvement was seasonal, one states that the improvement was not seasonal. The two reporting collections poorer stated that the decline was seasonal.

6. All four expected improved conditions within the next three months.

7. The reasons for improvement are the shortage of merchandise, greater buying on account of rising market and improved farm conditions.

SILKS

States represented: California, New York.

1. Three reported sales better in January, 1923, than in December, 1922; one reported sales worse in January, 1923, than in December, 1922;

one reported sales stationary compared with December, 1922.

2. The three reporting sales better stated that the improvement was seasonal. The one reporting sales worse stated that the decline was seasonal.

3. Two reported sales for January, 1923, as exceeding their expectations; two reported sales for January, 1923, as equaling their expectations; one reported sales for January, 1923, as falling below his expectations.

4. One reported collections for January, 1923, as better than December, 1922; four reported collections for January, 1923, as stationary compared with December, 1922.

5. The one reporting better collections states that the improvement was seasonal.

6. Four expected business to improve in the next three months; one expected business to remain stationary in the next three months.

7. The reasons given for improved conditions are: retail stocks low, rising prices, general improvement in business conditions.

WOOLENS

States represented: Indiana, New York.

1. One reported sales better in January, 1923, than in December, 1922; one reported sales worse in January, 1923, than in December, 1922.

2. One reported that the improvement in sales was seasonal; one reported that the decline in sales was seasonal.

3. Both reported sales for January, 1923, as equaling their expectations.

4. One reported collections for January, 1923, as worse than December, 1922; one reported collections for January, 1923, as stationary compared with December, 1922.

5. The one reporting collections worse states the decline was seasonal.

6. Both expect business to improve in the next three months.

7. The reasons given for expecting improvements are: Old stocks depleted, improved conditions of farmers.

AGRICULTURAL IMPLEMENTS

States represented: Kansas, North Dakota, Washington.

1. Two reported sales better in January, 1923, than in December, 1922; one reported sales worse in January, 1923, than in December, 1922.

2. Of the two reporting better sales, one stated that the improvement was seasonal, one stated that the improvement was not seasonal. The one reporting sales poorer states the decline was seasonal.

3. Two reported sales for January, 1923, as exceeding their expectations; one reported sales for January, 1923, as falling below his expectations (Kans.).

4. One reported collections for January, 1923, as better than December, 1922; one reported collections for January, 1923, as worse than December, 1922; one reported collections for January, 1923, as stationary compared with December, 1922.

5. The one reporting collections better stated that the improvement was seasonal; the one reporting collections poorer stated that the decline was seasonal.

6. Two expected business to improve in the next three months; one expected business to remain stationary in the next three months.

7. Among the reasons given for improved business prospects were increased prices of farm products, farmers need of new implements and equipment, farmers more optimistic.

8. The reasons given for expecting no improvement were the disparity still existing between farm products and other products and excessive freight rates.

PAPER AND PUBLISHING

States represented: Iowa, Utah, Wisconsin.

1. Five reported sales for January, 1923, better than in December, 1922.

2. All five reported that the improvement in sales was seasonal.

3. Four reported sales for January, 1923, as exceeding their expectations; one reported sales for January, 1923 as equaling his expectations.

4. Three reported collections for January, 1923, as better than December, 1922; one reported collections for January, 1923, as worse than December, 1922; one reported collections for January, 1923, as stationary compared with December, 1922.

5. Two stated that the improvement in collections was seasonal; one stated that the improvement in collections was not seasonal; one stated that the decline in collections was seasonal.

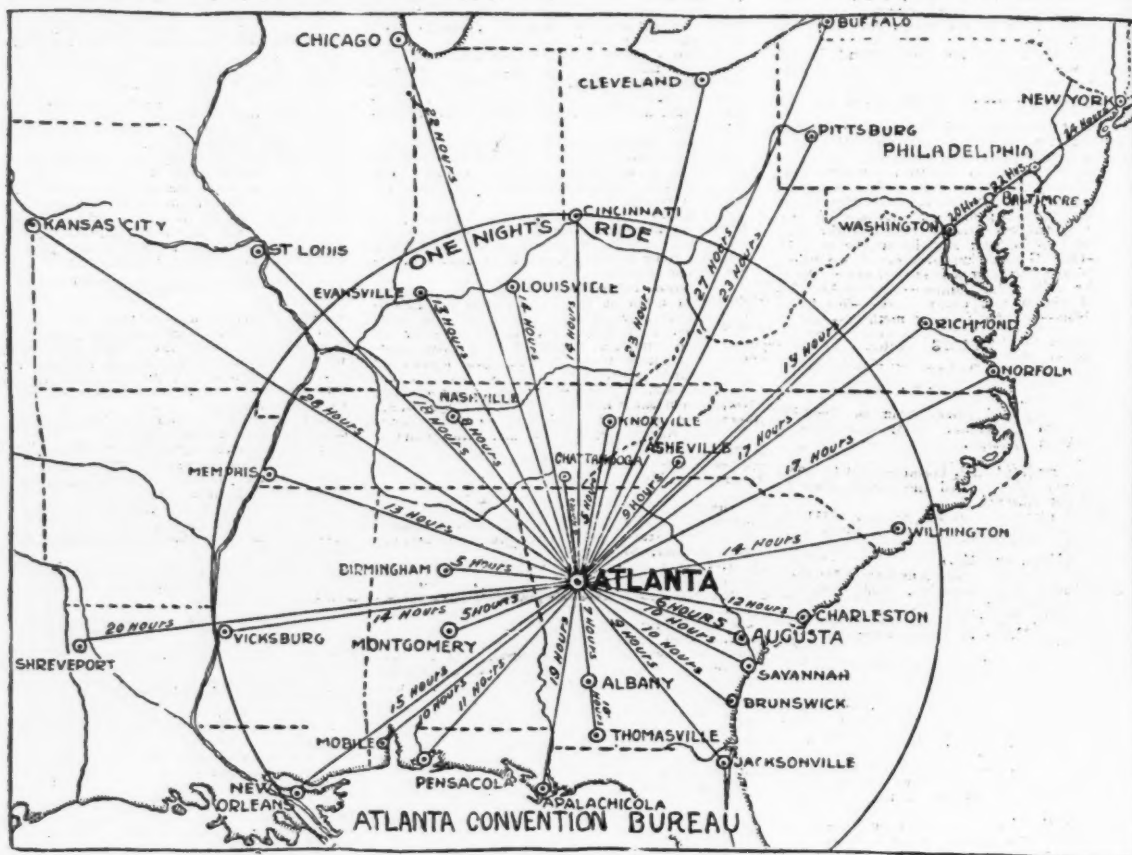
6. All five expected business to improve.

7. The reasons assigned for improvement were the high prices of agricultural products and the upward trend in paper markets. Two of the comments are as follows: General improvement in conditions but still cautiously optimistic—Ia.; Much depends on future crop and range conditions—Utah.

NATIONAL ASSOCIATION OF CREDIT MEN

28TH ANNUAL CONVENTION

JUNE 12-15, 1923



The above map will dispel the belief held by some that Atlanta is off the beaten track and will indicate why many credit men look for a large attendance at the 1923 annual convention of the Association.

Information Wanted

Members having had dealings with FRED TROUT, representing himself as a tire salesman, will please communicate with this office.

Members receiving orders from EARL D. WALKER, Maysville, Ga., should first get in touch with the Philadelphia Association of Credit Men, 1011 Chestnut Street, Philadelphia, Pa., before filling same.

Special Notice

Anyone doing business with or interested in BENJAMIN CAPLAN, trading as Caplan Dry Goods Company, Room 333, 1011 Chestnut Street, Philadelphia, Pa., will please communicate at once with the Philadelphia Association of Credit Men, 1011 Chestnut Street, Philadelphia, Pa.

Addresses Wanted

ANTHONY, E. G., formerly of Minneapolis, Minn.
 BISHOP, HERBERT & BROS., Hancock, Maryland.
 BROCK, W. F., formerly of Crystal Springs, Miss.
 BROOKS, L. C., formerly operating a drug store at 4632 North Kedzie Avenue, Chicago, Ill.
 BROWN, GEO., formerly of Wheatland, North Dakota.
 CARR, G. L. & COMPANY, Ashley, Indiana.
 CHRISTIAN CO-OPERATIVE ADVERTISING ASSOCIATION, operated by Frederick G. Hamilton, formerly located at 666 Fillmore Street, Garv, Indiana.
 CLARK, E. R., formerly of Detroit, Mich. Now believed to be selling real estate in Cleveland, Ohio.
 COOPER, F., formerly located at 5149 Pine Street, Philadelphia, Pa.

ELMER, ROBERT, formerly of Carrington, North Dakota.

FAIR SPECIALTY SHOP, operated by I. Silver, formerly at 1828 Myrtle Avenue, Brooklyn, N. Y.

FIREY, JESSE N., previously of Minneapolis, Minn.

FISHER, F. B., formerly of Lake Norden, South Dakota.

GENERAL MERCHANDISE SUPPLY CO., 209 South Street, Philadelphia, Pa.

GLASSMAN, L., formerly located at 4249 Main Street, Philadelphia, Pa.

GOLDBERG, EDWARD, recently of 269 Havermeyer Street, Brooklyn, N. Y.

GREGG BROS., Weches, Texas.

HALE, J. WADE, formerly of Rochester, Minnesota.

HAMMEREL, P. J., formerly of Racine, Minnesota.

HARTFORD, E. E., previously of Silver Creek, Nebraska.

HARVEY, H., Bridgeton, New Jersey.

HOLLINGSWORTH, A. N., formerly operating the Northwest Sanitary Rag Company, of Seattle, Wash.

IDEAL SUPPLY SERVICE, recently at 420 East 106 Street, New York City. The individuals connected are Eli Lind, Elizabeth C. Sullivan and Frederick Wood.

INGRAM, GEORGE CO., formerly at Room 501 Terminal Building, 68 Hudson Street, Hoboken, New Jersey.

INVESTMENT BANKERS UNDERWRITING CO., operated by Frederick G. Hamilton, at 569 Broadway, Garv, Indiana.

KORREKT WAY FIXTURES, INC., Frederick Wood, Pres., Anthony Fraumeni, Treas., Frank Sciacchitano, Secv., formerly located at 420 East 106th Street, New York City.

LARKEE & LUTZ, formerly of Spencer, Wis.

LAURINBURG CANDY KITCHEN, operated by Saleeby & Kaleel, Launburg, N. C.

McALEER, C. H., proprietor of the Western Auto Top Company, formerly located at Pittsburgh, Pa.

MACK, WILLIAM E., formerly operating a concession at 520 South State Street, Chicago, Ill.

MOGUL, S., 626 East Baltimore Street, Baltimore, Md.

MOOREN, BARNEY, formerly conducted a produce business under name of Mooren Fruit Company at South Bend, Indiana.

NEMSER & HENDRIX (successors to W. Nemser), formerly at 136 Water Street, New York City, and later at Ridgewood, Long Island.

NOONER, A., formerly with Nooner Drug Company, 307 N. Blvd., Atlanta, Ga.

PINNEY, P. J., formerly of Lake Andes, South Dakota.

RITTER, E., previously proprietor of the Clinton Roofing Company, Clinton, Iowa.

ROBERTSON, F. H., formerly of Charlotte, North Carolina.

SHIPMAN, BARNEY C., formerly of Shickshinney, Pa.

SINGER, ADOLPH, recently of 85-94 Blvd., Rockaway Beach, L. I.

SKLAN, M., formerly located at 2819 Industrial Avenue, Flint, Mich.

SPAIN, G. B., shoe repairer, recently located at 202 So. Alamia Street, San Antonio, Texas.

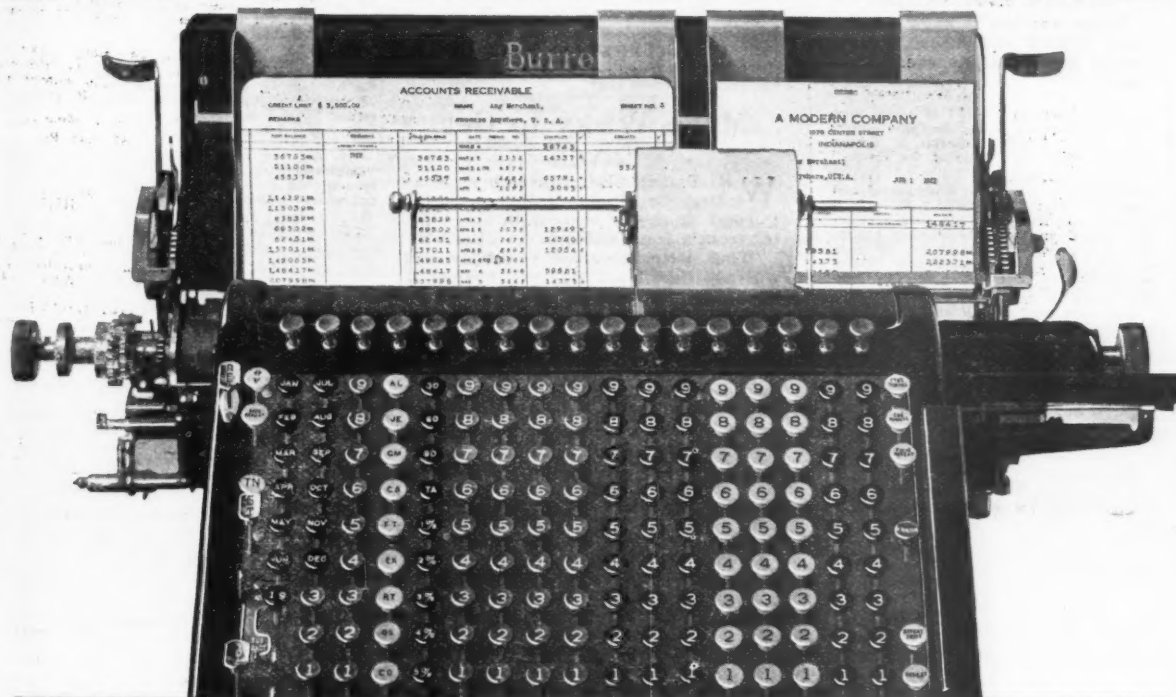
TROWBRIDGE, EDWARD, formerly owner of the Trowbridge Company, located at 1225 Broadway, New York City.

WIDMAN SPECIALTY SHOP, previously at 931 Freeman Avenue, New York City.

WILLIAMSON, MRS. T. C., formerly of 931 South Central Avenue, Eagle Rock City, Cal., and 2135 Sunset Blvd., Los Angeles, Cal., or Ashbury Park, N. J.

WISNIEWSKI, J., formerly located at 207 Eighth Street, Braddock, Pa.

Posts Ledger and Statement at the Same Time AUTOMATICALLY



And with each posting it gives you positive proof *that*—

1. The Machine was clear at the start;
2. The Old Balance was picked up correctly;
3. The Charge was posted correctly;
4. The Credit was posted correctly;
5. The New Balance was extended correctly;
6. The Statement Balance—always ready for the customer—agrees with the Ledger Balance.

With this automatic Burroughs, you may have—*without any extra work*—an original statement that always contains exactly the same information as the original ledger sheet.

Since each posting is automatically proved by this Burroughs, your proved statements are ready for your customers at

any time. The nearest Burroughs office will be glad to demonstrate this new type of Burroughs Automatic Bookkeeping Machine—or other styles of bookkeeping machines—on your ledgers and statements. Call today or write Burroughs Adding Machine Company, Detroit, Michigan.

**Better Figures
for
Bigger Profits**

Burroughs

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Ask Your Wife These Questions!

"Am I more valuable to you than Life Insurance?"

"Do you think I should have HEALTH PROTECTION?"

"Would you like to know the EXACT STATE of my health, as revealed by Urinalysis every three months?"

She will answer "YES" to every question, for the wife is the one who suffers most when Bright's disease or similar trouble strikes the "Head of the House."

These troubles steal on your system like a thief in the night, unsuspected and neglected. Our STAY WELL SERVICE protects you from this. It puts a scientific Guard on the state of your health. It takes periodical "Soundings" of your physical condition. It takes only FOUR MINUTES of your time. It costs only \$15.00 a year.

Ask your wife also if she would like to read our book, "Why People Die Too Young"; then write for a copy. It is free.

National Bureau of Analysis
O.M.23 Republic Bldg.,
CHICAGO, ILL.

Please send me without obligation your book "Why People Die Too Young" and full particulars of your plan.

Name
Street No.
City State

When Shipping Food to Europe—Beware

THE CREDIT MONTHLY has been called to the fact that there is a concern located in the Metropolitan District of New York which has accepted money for the purpose of shipping food packages to Europe but has not delivered the goods.

The greatest care should be taken in selecting a forwarding agent for this form of service.

Make Whisky to Get Even

W. M. P. BOLLES, Holcomb & Hoke Mfg. Co., Indianapolis, sends the CREDIT MONTHLY the following letter from a frank debtor:

"Your letter received yesterday and will say that I am right up against it and they got me in jail for making whisky and will have to put in 12 month and not doing any thing to make any money I kindly ask you to make some way for them to wait on me. Time has been hard and I was trying to make whisky to get even and they caught me and I just can't pay any thing just now so please fix it so they will wait on me and I will pay just as soon as I can. Please see after it for me and let know and oblige."

Pres. Stratford of Savannah

Savannah.—W. B. Stratford, Citizens & Southern Bank, has been elected president of the Savannah association.

A Review of Your Business For Big Executives

Modern scientific methods make it possible for the big executive to have complete control of the future of his business.

Production, Marketing—Administration and Finance can all be controlled through correlation of details. The whole crux of profitable operation centers in the ability to know the future and to be able to control it.

After March 1, 1923, it will be possible to secure the service of a man, Nationally Known for his success, along above lines, with hundreds of firms throughout the country. Engagement at outset for not less than a month or more than one year preferred.

An interview with this man, or two loose leaf volumes of data covering his experience and references will be accorded you without obligation on request addressed to L. B. D.

Care The Credit Monthly.
41 Park Row, New York

Positions Wanted

EXECUTIVE—Now employed, desires change. Qualifications, credit manager, financial manager, accountant, comptroller. Seventeen years' experience. Salary \$8,000. Address Advertisement 778.

ACCOUNTANT, COMPTROLLER, TREASURER—Age 38, broad business experience, desires connection as comptroller, auditor, president's executive assistant or treasurer. Trained in finances, commercial and factory accounting. Capable of assuming heavy responsibilities. Address Advertisement 779.

CREDIT MANAGER—Would also manage office. Eighteen years' wholesale mercantile experience in all departments, including stock-keeping, selling (on the road), bookkeeping, credits and collections. Wants a responsible position with plenty of hard work and good opportunity for advancing. \$300 per month to start. Age 40, married. A Western man. Prefers Washington, Oregon, or California. Address Advertisement 780.

CREDIT AND COLLECTION MANAGER—Highly specialized and successful; clear, constructive thinker. An executive possessing integrity and vision with credentials to substantiate. Address Advertisement 781.

MARRIED MAN—Twenty years' experience with the largest mercantile agency in the world, desires to make a change. Is thoroughly experienced in all kinds of business correspondence, credits, etc. Address H. C. G., c/o Mrs. Frances Kress, 974 Third Avenue, New York City.

CREDIT MANAGER OR ASSISTANT—Age 26. Four years' experience in credits, collections and accountancy; wide practice in handling successfully difficult credit and collection problems. University training. Salary \$2500 to start. Address Advertisement 782.

CREDIT MAN—Department manager, cashier or bookkeeper with first-class house. Highest of references. Address Advertisement 783.

CREDIT ASSISTANT—Young married man desires to change position. Five years' credit experience; has good general knowledge of banking. Common sense investigator, possesses good judgment and is aggressive. Knows stenography. Address Advertisement 784.

CREDIT AND DEPARTMENT MANAGER, CASHIER OR BOOKKEEPER—With first-class house. Highest references. Address Advertisement 785.

CREDIT MANAGER AND PURCHASING AGENT—Thirteen years' experience with large wholesale house. References. Salary \$5,000 to start. Age 40, married. Address Advertisement 786.

SECRETARY-STENOGRAPHER — Position sought, preferably in New York, by first-class stenographer with sufficient education and experience to handle real secretarial work. Address Advertisement 794.

ASSISTANT CREDIT MANAGER—Age 26, single. Experience in wholesale and retail manufacturing; eight years in present position, four years' experience in credits and collections. Desires change metropolitan district. Best references. Salary \$2,000. Address Advertisement 795.

EXPORT EXECUTIVE—Age 39, American citizen, South American born. Eighteen years' practical experience. Civil engineer. Conversant with Spanish and all branches of exporting. Knows how to develop business in foreign markets. Good systematizer and efficiency man. Will travel. Is open for a position. What have you to offer? Address Advertisement 793.

Financial Embarrassment

Where a business concern is not protected by *Fidelity Bonds*, the misappropriation of any of its assets may result in the failure of the concern, or cause it financial embarrassment.

This Company investigates the character of every individual it bonds—a practical safeguard against bad moral risks. Write for particulars.

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FIDELITY AND GUARANTY CO.
BALTIMORE, MARYLAND**

Maintains a department of Guaranteed Attorneys that renders unexcelled service to merchants and manufacturers.

Write for details on N. I. C. Correspondence Course on Credits and Collections

"Reading good Business Books is good Business."

Books for Business Men

A Group of Reviews Written or Edited

By John Whyte, Ph. D.

Director of Research, National Association of Credit Men



AS PART OF the campaign to increase the knowledge of economics in a country that has been called "a nation of economic illiterates," the Credit Monthly has arranged with Dr.

Whyte to conduct this department of critical and descriptive reviews.—THE EDITOR.

The Credit Man Qualifying As Financial Counsel

APPLIED BUSINESS FINANCE. Edmond E. Lincoln. A. W. Shaw Co., Chicago., 1923. 772 pp.

The increasing part that credit men are playing in the determination of the financial policies of their own houses is a recognition by these houses that credit men, by the nature of their positions, acquire a knowledge of business finance. This knowledge is gained in the first place not through an intimate knowledge of the financial operations of their employing houses (for few credit men in the first years of their employment take part in the council that determines the financial policies of their own houses), but through a knowledge of the financial operations of other houses. Exchanging goods for credit is on an unsafe basis if the credit man does not possess a knowledge of the financial operations of those whose credit he O. K.'s or turns down. And as he acquires this knowledge he is fitting himself for participation in the financial policy of his own house.

Dr. Lincoln's new book, "Applied Business Finance," will provide the credit man with material and points of view for the measuring of the financial policies of the customer's houses. This book marks a departure from many preceding books on business finance, in that it stresses the effect of the changes in business and particularly of the business cycle on business enterprises. In this emphasis, the credit problem naturally receives greater attention, for Dr. Lincoln is in agreement with other students of business and of the business cycle in holding unwise credit policies responsible for the serious losses attendant upon the changing business movement.

The book is eminently practical. The principles stated are fortified by a careful use of the statistical information now available. A mention of some of the chapter headings will illustrate the author's change of emphasis and also the eminently practical way in which he has attacked his subject: Introduction—Business Finance and the Business Cycle, The Average Industrial Concern—Its Normal Problems, Shall the Enterprise be Launched? The Form of Or-

ganization, Financial Statements and Their Interpretation, Comparative Statements of Condition and Financial Standards, Financial Aspects of Producing Goods, The Financial Results of Size, Financial Aspects of Selling Goods, Business Finance and Mercantile Credit, The Distribution of Earnings, Financial Difficulties and Failures.

The credit man who would increase his ability to gauge accurately the financial responsibility of his customers would do well to study this book for he will reap large returns by doing so, both in profits to his house and in recognition by his house that his work is after all the work of a financial executive. To the extent that he is able to judge business finance as applied by his customers, will he be able to make his knowledge count in the determination of the broad financial policy of his own house.

Good Basis for Study of Credits and Collections

THE FINANCIAL ORGANIZATION OF SOCIETY. Harold G. Moulton. Univ. of Chicago Press, 1921. 789 pp. Illus.

This book is an outgrowth of the course given in the University of Chicago which was conceived and given as a survey of and introduction to specialized courses. No better idea of the ground covered in this course can be given than by enumerating the specialized courses for which this book is both a summary and introduction. These courses are: Money, Prices and the Cost of Living, Advanced Banking Theory, International Financial Problems, Business Cycles, Commercial Bank Management, Investment Bank Management, Business Finance, Investment and Speculation, Law of Bills and Notes, and Banking Law. Dr. Moulton might very well have added Credits and Collections, for his book is an excellent introduction to a course in Credits and Collections which touches elbows with most of the courses in this specialized group.

Within the compass of one book Dr. Moulton has succeeded in bringing together under a unified treatment, material that as a rule exists only in four or five different books on finance by as many different writers. There is a freshness and individuality in his treatment of the subject which engages the attention of the reader. In his chapter on Credit Instruments, for example, he uses the heading: Checks, Bank Notes and Bank Drafts are not really Credit Instruments. In justification of this he says that they are not evidences of postponed payments, which is the essential characteristic of credit operations. Though Dr. Moulton grants that they are credit instruments in form, he emphasizes the fact that for practical purposes they are money and cash. This example is typical of his work, and reveals the author's somewhat unorthodox, but always practical point of view. The student of Credits

and Collections who has not been fortunate enough to read this text as an introduction to his study will find in it a vast amount of material to supplement the necessarily brief chapters on the financial mechanism involved in Credits and Collections. In common with books that have appeared since 1920, Dr. Moulton's book stresses the business cycle and its effect on credits. The closing chapters of the book treat some of our basic banking considerations and problems.—The Federal Reserve System, Raising Capital for Agriculture, Consumptive Credit Institutions, (among which are considered the business of pawn broking, loan sharks, the Morris plan banks, building and loan associations.) Financial integration and the Financial System in General Economic Organization. The book is excellently illustrated by charts, maps, forms and statistics and its value is further enhanced by a large number of thought-provoking questions which follow each chapter.

A Thought-Provoking Book

THE MIND IN THE MAKING. James Harvey Robinson. Harper & Bros., N. Y. 1921. 235 pp.

Lord Bryce in his "War-Time Essays" paints a discouraging picture of our modern industrial civilization. He compares it with ancient civilizations all of which failed to survive because of the inadequacy of the statesmen, rulers and thinkers to solve the problems of these civilizations. These problems, Lord Bryce declares, though tremendous and serious, were not so complex, as those inherent in our modern civilization. The disturbing note in his analysis comes from his conclusion that for the solution of our modern complex problems we have no greater rulers, statesmen and thinkers than those which former civilizations possessed,—men who were impotent to save their civilizations from going down to disaster. Some such consideration is responsible for the conclusion of H. G. Wells that the future of our civilization depends upon the outcome of the "race between education and catastrophe."

Dr. Robinson's interpretations of the events of the last few years is akin to those of such different minds as Bryce and Wells. In his analysis of the situation and in his conclusions, Dr. Robinson draws on his vast knowledge of history and on the contributions of modern psychology and modern thought. He sees a tremendous gap between our grasp of natural science and our grasp of human affairs. While natural science in the last few hundred years has made marvelous achievements in the realm of matter, the progress of mankind in the scientific knowledge and regulation of human affairs, he concludes, has remained stationary. He draws a simple parallel to illustrate his point: "The rural mechanic considering a broken-down car in the roadside garage thinks scientifically. His

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S. ROLAND HALL'S
Manual of Business-Building Letters

The Handbook of Business Correspondence

THIS big manual on the principles and mechanics of letter-writing undoubtedly contains more information of a practical and usable nature than has ever before appeared between the covers of one book.

More than 1,000 pages of vital data

Its 1000 and more pages cover every important division of letter-writing practice, from the fundamentals of good letter writing to the management of a mailing department. It discusses mailing lists, correspondence supervision, follow-up campaigns, etc. With a multitude of examples it tells how to write selling letters, adjustment letters, collection letters, credit letters, letters to the trade, letters to salesmen, to farmers, to women, to young folks, to professional men, etc.

Hundreds of successful selling and collection letters reproduced in full

Among the many interesting features of the book are (1) a section of about 100 pages in which letters used by representative business houses are reproduced with statements from the original users as to results obtained; (2) a complete section made up from a rewritten series of bulletins on better business letters, prepared originally by the author in loose-leaf form and used by more than 500 of the leading business organizations of the country.

Examine this big, thousand-page book for 10 days at our expense

Every correspondent—every mail-order man—every correspondence supervisor—every credit man—every office manager—in fact every man who writes or uses letters of any kind needs this book. Let us send you a copy for 10 days' FREE EXAMINATION. No obligation. Simply return the book postpaid within ten days or remit \$5.00 if you decide to keep it.

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You may send me for 10 days' examination Hall's Handbook of Business Correspondence, \$5.00 net, postpaid.

I agree to return the book postpaid, within 10 days of receipt or to remit for it.

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Name of Company C.M.-3-23

only aim is to avail himself of his knowledge of the nature and workings of the car, with a view to making it run once more." Politicians, statesmen and historians, and for that matter all of us, some of the time, and most of us most of the time, approach the solution of our human problems in a spirit of fears, hopes, partisan animosity, preconceptions and prejudices. The author pleads for a scientific approach to a study of the human problems, for open-mindedness and a willingness to follow facts regardless of where they may take us. Making use of the contributions of modern psychology, he describes our various kinds of thinking which for the most part are not thinking and reasoning at all. In his own words, "most of our so-called reasoning consists in finding arguments for going on believing as we already do,"—in other words for rationalising our prejudices.

He pleads for creative thought, the type of thought that is responsible for our great achievements in the realm of the pure and natural sciences. His definition of this thought is as follows:

"It has not the usual qualities of the reverie, for it does not hover about our personal complacencies and humiliations. It is not made up of the homely decisions forced upon us by everyday needs, when we review our little stock of existing information, consult our conventional preferences and obligations, and make a choice of action. It is not the defense of our own cherished beliefs and prejudices just because they are our own—mere plausible excuses for remaining of the same mind. On the contrary, it is that peculiar species of thought which leads us to change our mind."

For those who agree, and they are many, to such interpretations of our civilization as those of Bryce and of Wells, Dr. Robinson's book will be found a thought-provoking treatise. Readers who have found stimulus in Wells' "Outline of History" or in Van Loon's "Story of Mankind," will welcome this book as a further contribution to the history of the human mind and its workings. Like these books, it has "caught on" and is now and has been for some time among the leaders of the non-fiction books.

What Is Your Customer's Buying Power?

DISTRIBUTION OF INCOME BY STATES
IN 1919. Oswald W. Knauth, Harcourt, Brace & Co., N. Y., 1922. 30 pp.

This code, which is No. 3 of the epoch-making studies of the National Bureau of Economic Research, consists largely of tables showing the distribution of income by states in 1919. The first part of the book takes up the method used in deriving the figures. The tables and results (listed on pages 23 and 24) should be of value to every merchant. They will appeal first to the merchandiser who is considering markets and their purchasing power. Though the credit man is not so directly interested in the merchandising of his house's products as is the sales department and the advertising department, he is peculiarly interested in the merchandising problem of those whose credit he checks, and he will learn from this book a vast deal about the financial conditions and difficulties of these merchants in the different parts of the country. The table, for example, that shows the analysis of income of farmers by states can not but give him a clearer insight into the part that is played by the farmers in the whole subject of credits and collections. In this table, the total number of

farmers in each state is listed, the total amount of farmers income, the average income for farmers, the percentage of total state income going to farmers and the percentage of total farmer's income in the state. Space forbids either the twelve results which are a summary publishing here of these tables or of of the work. But one result, paragraph 11, will give an idea of the material:

"Farmers' income constitutes over one-half the total State income in North Dakota. It is over 40 per cent in South Dakota, South Carolina, Mississippi, Arkansas, Nebraska, and North Carolina. On the other hand, it is less than four per cent in New York, New Jersey, and Connecticut, and less than one per cent in Massachusetts and Rhode Island."

Retail Selling Expense

SELLING EXPENSES AND THEIR CONTROL—A study in the Retail Distribution of Clothing by Northwestern University School of Commerce Bureau of Business Research in co-operation with the National Association of Retail Clothiers. Practice-Hall, Inc. N. Y. 1922. 416 pp.

The obligation of American business men to university bureaus of business research is increasing year by year. The criticism that business men so frequently make of the work of economists and business statisticians, namely, that it is academic and can not be applied to the solution of business problems, surely can not be made of the type of work that the Harvard Bureau of Business Research inaugurated some years ago and that is now being so splendidly reinforced by newer schools of business research among which Northwestern University is now occupying an enviable position. Both Harvard and Northwestern Universities have attacked a problem that is ever with the business man—the problem of operating expenses.

This book, under the directorship of Horace Secrist, contains the most exhaustive analysis of selling expenses that has been made of any industry. Economists and business educators have for years stated that the selling expenses and operating expenses are subject to effective merchandise control. The business man has countered with—"Well, show us how!" The Northwestern Bureau of Business Research has definitely shown the retail distributors of clothing how to control their operating expenses. It has done so by giving the facts and figures on the selling expenses in retail clothing for the years 1914, 1918 and 1919 and by drawing conclusions from them. There may be at first glance nothing startling in one of the conclusions of this investigation. The conclusion is as follows: "Selling expenses may be reduced as follows: By increasing advertising in relation to sales, by decreasing the inventories in relation to sales, by increasing the rapidity of stock turnover, by increasing the amounts sold per full-time salesperson and per square foot of floor space, by paying salesmen on a commission basis, and by reducing the amounts invested in fixtures in relation to sales. That sounds in one sense vague enough but a reader of the book can be shown just how these reductions are possible for his house. Mr. Secrist's classifications are so detailed that the individual distributor is not justified in saying that the generalizations do not apply to him. A few of the chapter headings will indicate how thorough the classification is. For example, one heading is "Yearly Amounts of Selling Expenses in relation

"Reading good Business Books is good Business."

to the Amounts of Stock Carried, for Stores Classified by years, by Size and by Rates of Stock Turnover." Another is "Yearly Amounts of Selling Expenses in Relation to Expenditures for Rent and to Investments in Fixtures for Stores Classified by Years, by Size and by Location. On the basis of this investigation Mr. Seerist concludes that "there are certain master or controlling facts behind individual facts and the these principles can be so stated that those who are interested can, if they will, act in the light of them rather than in the grip of blind routine." The work, of course, is of primary value to the retail distributors themselves but manufacturers of clothing, bankers, advertising agencies and others will find this fruitful. Moreover, until we have similar investigations for all lines of industry, other business men will do well to read this book for though in their lines the rates of turnover, and the relationship of selling expenses to sales may differ, "the fundamental principles governing sales and selling expenses are not restricted to one line of business."

Starting a Business Library

BETTER BUSINESS LIBRARIES—TALKS WITH EXECUTIVES. Louis B. Krause. The Indexers Press, Chicago, 1922. 98 pp.

Business executives who are planning business libraries for their banks or houses will find this little book a very valuable aid in the organization and conduct of such a library and in the choice of the books and periodicals that should make it up. The following subjects are covered in the book: "Why the Business Library?", "What is the Function of a Business Library?", "Who Are You Going to Select for Your Business Librarian?", "Books: The Foundation Stones," "Periodicals: 'Encyclopedias of Current Information,' 'Indexes and Digest of Periodicals,' 'Financial and Trade Services,' 'U. S. Government Information,' 'The Arrangement of Material,' 'Putting Your Business Library to Work.' In addition to listing various trade articles and books, the author makes brief comments upon them and on their uses, which should be helpful in the selection of a library that can not, for financial and space reasons, contain all the periodicals listed.

Russia Coming Back

INDUSTRIAL REVIVAL IN SOVIET RUSSIA. A. A. Heller. Thomas Seltzer, N. Y., 1922. 241 pp.

Secretary Hoover, who can not be accused of any sympathy for the Soviet Government, in his first of the year summary of world conditions, commented on the improvement in the economic situation in Russia. Newspaper correspondents and travellers lately returned all bear testimony to the fact that Russia is coming back. Prophecies as to the future degree of rapidity of comeback vary with the view-point of the observer, but opinion seems now to be unanimous on the fact of the comeback itself. In this book, Mr. Heller describes Russia since the adoption of the new economic policy in the Spring of 1921. He is very sympathetic to the Russian Soviet and his interpretation of events in Russia since the Revolution differ greatly from those of observers of other political creeds.

The book is an interesting review of post-revolutionary history in Russia as seen by one who is everywhere in sympathy with the Russian program. The chapters on economic reconstruction,

Can You Recover the Goods?

A prosperous looking man steps into your establishment and gives his name as that of a well known, wealthy merchant. Your salesman sells him a big bill of goods on credit. Later you discover that the buyer was not the man he represented himself to be and has no means of paying for the goods. Can you recover them from a third party to whom he has sold them? Questions like these arise every day in credit work. Knowledge of the law involved is simply indispensable to the credit man.

Legal Aspects of Credit

By STANLEY F. BREWSTER, J. D., Member of the Federal Bar

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on the new economic policy in practice in Soviet Russia's industry, and on Russia's resources are particularly interesting. Mr. Heller gives statistics to show that production is rapidly increasing in some of Russia's vital industries. A reading of Russia's resources can only leave one with the conviction that if Russia once succeeds in economically rehabilitating herself, she is destined to become economically and politically one of the great world powers, for of her it may be said what in years past has been said of America, that she is a "country of limitless possibilities."

Well Made Book on Letter Writing

MANUAL OF BUSINESS LETTER WRITING by Edward W. Dolch, A. M. The Ronald Press Co., N. Y. 1922 327 pp.

No subject in business education has received such emphasis in the last few years as business letter writing. The number of good books that have appeared on the subject within these years would seem almost to argue that the field for new good books is limited. Though the author of this book necessarily duplicates some of the work that has been done in other books, he has produced a volume that definitely deserves a position in the front rank of books on the subject of business letter writing. One fact alone would establish the right of this book to the consideration of business men, namely, the excellent organization of the material presented. Mr. Dolch knows how to write. He knows how to paragraph. And he knows how to head his paragraphs. There is a clarity and precision about what he says that can not fail to attract the business man looking for definite valu-

able suggestions. His book includes chapters on the "General Principles of Correspondence" and the customary chapters on "Order Letters," "Claims and Adjustment Letters," "Credit and Collection Letters," "Sales Letters," "Intra-House Letters," etc. His illustrative letters bear the stamp of actual letters. Not the least interesting part of his book are the pithy comments which he appends to these letters. Thus for example, below a collection letter he adds the following: "When a matter of credit is put up to the customer in this way it has the strongest chance possible of being accepted in the proper spirit." The credit man will find much to interest him in this book.

Your Will, the Deciding Factor As a Book Reader, Discipline Yourself!

By Frederick B. Robinson

Dean of the College of the City of New York, New York City

THE business man is not likely to waste his time in haphazard reading. He soon discovers leading sources just as the lawyer reading up cases discovers leading cases. Furthermore, no time is wasted when devoted to thoughtful reading. Of course, time is saved if a man is located in a large city and can take an evening course in some aspect of business and can be guided in his reading by his instructor or professor in charge.

A man's capacity in studying books can be developed after he has reached the age of thirty-five. Indeed, the older he gets (until the incapacity of extreme old age sets in) the more competent he is to read and study with profit. The only limits are his own general ability and his persistence. If he be too indolent to concentrate on his reading and merely reads by fits and starts, he cannot hope to improve himself. Assuming, however, that his general intelligence and will are adequate, he should get more and more out of his reading as he matures.

A business man can, by the study of books, compensate to a considerable degree for his lack of college education. The controlling factor is his own will. In college he has instructors and the discipline of daily appointments at recitations, which keep him at his work, but as a reader he must be his own driver and get his stimulus from within.

Kind Words for the Credit Monthly

By G. E. Bradford

Deaver Dry Goods Co., Knoxville, Tenn.

EVERY edition of the CREDIT MONTHLY that I read I believe sincerely and say is the best; but the issue for December 1922 is just a little better than the best that you have ever put out. I want to congratulate you on it, especially Adsit's article "The True Position of the Credit Manager" and Doty's "The Best Collector is the Star Salesman," both of which are well written and express exactly my opinion formed after many years of service.

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Faithful Study of Books Can More Than Make Up for College

By Ezra Bowen

Head of Dept. of Economics
Lafayette College

FOR the progressive man the question of reading and what to read is of greater importance in his business and civic life than he perhaps appreciates. The book-hungry days of man are of the past. There are in the Yale library 1,250,000 volumes, and in the Congressional Library 3,000,000 volumes. Every town in the United States with 10,000 or more inhabitants has a considerable library. Thousands of new books are published each year, and of these the average business man can read no more than four or five. The first problem of the man of today seeking self improvement through books is not the difficulty of getting books but the difficulty of dipping from the torrent of modern literature the one or two really thirst-quenching drops. In this he must have guidance.

Haphazard reading is about as profitable as haphazard anything else,—the haphazard selection of employees for instance, or the haphazard selection of business partners, or of banking connections, or of investments or of a wife. Dr. Samuel Johnson used to say that hanging and wiving go by destiny. In this comment it seems as if he should have included investments, for no one will take advice about investments or matrimony, and the present writer would be the last to give advice on these matters; but reading and study fall in a category where advice may be given and taken.

The editor of the CREDIT MONTHLY asks if a man's capacity for studying books can be developed after he has reached the age of thirty-five? I say, most certainly. It can, at least, be opened up, brought into play, made more effectual in the improvement of his character and condition. There is eminent authority for the statement that a man's intellectual endowment is on the increase up to at least his fiftieth year. But very few things increase without encouragement. This does not mean that a man cannot learn after his fiftieth year, but merely that his capacity for learning is not thereafter apt to increase.

Now a college education can be more than made up for in some men by faithful study of books. Others can not profit at all from self-directed study because they lack the necessary intelligence and character. But, for the average man, all that can be expected are in the impact and interplay of personalities. In college a great variety of

carefully selected personalities have been brought together in both faculty and student body; and they, each in his carefully selected personalities have the education of the individual student. On the other hand the first man today of English letters, Joseph Conrad, is a self-educated man. He was for years a common sailor on merchant vessels. And then we must not for a minute forget Mr. Schwab, the world's leading production and sales genius, a cultured man, a self-cultured man.

Yes, a man can learn and learn, and no external handicap can stop him until he is dead—but a great many of the dead are still walking around, and voting and going to business on most week days.

Half His Pay for Books

CHRISTOPHER MORLEY quotes from Benjamin Franklin's Autobiography: "I presently found that I could save half of what he paid me. This was an additional fund for buying books."

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THESE are merely some of the headings in one of the most refreshing practical and live books recently published on collections. This book is "Installment Sales and Collections," by Bryant W. Griffin, but its ideas are by no means limited to the installment house. If you watch the mail to see the way the collections come in, you will find some real useful "meat" of ideas here. They've brought in the money.

"I desire to express to you my unqualified commendation of this work. It covers a phase of credits and collections about which there is a vast opinion of policy," wrote W. T. Trammell, Manager, Merchants Credit Association, Birmingham, Alabama, while a letter from V. H. Cohn, of L. W. Sweet, Inc., New York, says, "I desire to state that if this book were \$100, it would be cheap. Although I have had over twenty years' experience, the first page of your book gave me more than \$100 worth of knowledge." So you see it is a distinctly worth-while work.

Among the special chapters is one on Last Resort Methods, another on Automatic Follow-up Methods (very valuable) and a DIGEST of the CREDIT LAWS of the various States. There is one very good chapter giving over fifty choice excerpts from unusual ideas that have worked well.

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The Reading of a Credit Man

**Murder, Divorce and Bootlegging
News Wastes Our Time**

By Herbert E. Choate

Treasurer, J. K. Orr Shoe Co., Atlanta.

"READING maketh a full man," saith Lord Bacon. He also hath it that "some books are to be tasted, others to be swallowed, and some few to be chewed and digested."

That a man does not attain his highest powers of self-expression who is not "well-read" will hardly be disputed. I mean by self-expression, not fluency of language nor facility of speech merely, but the capacity to translate the concepts of his consciousness into form, actuality, living images,—to realize himself. It is this capacity, expressed through correlation of ideas, that indicates the power of knowledge: through it personality becomes a positive force.

"Knowledge is power" is a truism—but true. But by what standards are we to identify and rate the well read man and how are we to define the knowledge which gives him power? All values are relative; including that of knowledge, and an intelligent answer, it seems to me, must needs take into account the particular field in which his knowledge is to be utilized. Just so, one who followed the life of an explorer might need to know something about a great variety of things, while another, who was an expert in diamonds, let us say, would need to know a great deal about a particular thing.

CREDIT MAN MUST KNOW MUCH

The range of a well equipped credit man's knowledge takes in considerable territory, embracing a fair acquaintance with financial affairs, commercial law, accountancy and business administration, while he must be at least on speaking terms with such subjects as agricultural conditions, industrial activities and economic movements—sometimes given the high-brow designation of "equal and opposite reaction"—both locally and world wide—for no nation or section of a nation, or even the smallest business or economic unit, can any longer separate itself effectually from the rest of the world.

This is the day of the specialist; and the credit man is the natural and logical fruit of the development of that idea in modern business. The knowledge that is power as it relates to him is a mastery of the subjects that have a direct bearing upon the work he has to do—such as I have outlined in the preceding paragraph; and to qualify as a well read credit man, he must not only have become saturated with the accumulated and tested knowledge that is to be found in the standard books and treatises that have a bearing upon his work, but he must keep thoroughly abreast of current thought and the development of modern ideas through the medium of technical publications, such as the CREDIT MONTHLY, and from the interchange of views and the direct contact with his fellows of the craft, by attending regularly the meetings of his local Association of Credit Men.

Exceptional men here and there are endowed with natural abilities which seem to relieve them of much of the application necessary, with most of us, to a consistent course of study, but it is not true that the same application on the part of such men, which they seem to think is reserved exclusively for their less highly endowed fellows, would greatly magnify their own powers? Let Lord Bacon again witness, for he says: "Natural abilities are like natural plants, that need pruning by study."

Most of us are prone to neglect vocational reading. We are more interested in the colorful news of the day; and there is a plenty of it to occupy us, if we attempt to run the whole gamut from politics to sports, from "wars and rumors of wars" to operations on the stock exchange. Columns and columns are given over to murders, robberies, bootlegging, divorce trials, religious heresies and other forms of diversion in which we delight—of these there is more than a plenty to fill to overflowing the hours available for reading, to the exclusion of that which is calculated to instruct and benefit us and which makes for greater efficiency and better equipment for our work.

NEW GENERATION OF CREDIT MEN IS ON OUR HEELS

But let us take heed, those of us who are inclined to take our ease on the assumption that we know enough to "get by," for, believe me, the new generation of credit men that is being developed by our colleges, our night classes and our National Institutes of Credit, is equipping itself so painstakingly, so thoroughly and so broadly that the self-complacency of some of us is apt to suffer a rude shock. They are coming "fast and furious," these new recruits, and, unless we keep up with the procession, we are apt to find ourselves, before long, not in the vanguard but in the discard.

The law of the survival of the fittest plays no favorites and is no respecter of age, family trees or previous condition of servitude. It asks only, "Are you fit?" The law nearly always functions—and with reasonable promptness and accuracy.

"The plots and marshalling of affairs come best from those that are learned."

THE first use of education is to enable us to consult with the wisest and the greatest men on all points of earnest difficulty; that to use books rightly is to go to them for help; to appeal to them when our own knowledge and power fail; to be led by them into wider sight, purer conception than our own, and to receive from them the united sentence of the judges and councils of all time, against our solitary and unstable opinions.—JOHN RUSKIN.

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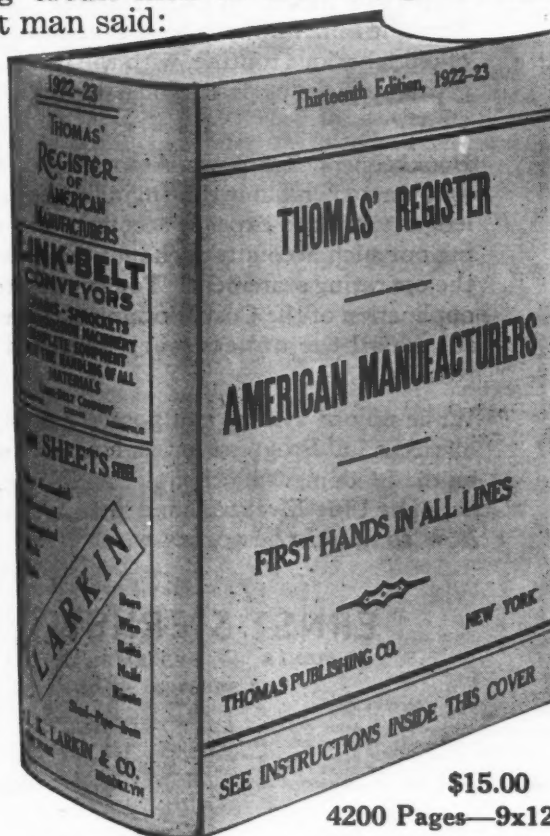
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Insurance Truths Often Neglected

(Continued from page 10.)

to value he will be an insurer for the difference. In other words, he simply takes the place of an insurance company for the difference between the

amount he actually carries and the amount he agrees to carry. To illustrate with a simple example:

Sound Value	\$10,000
Co-insurance clause used, 80%	8,000
Assured agrees to carry	8,000
Places in the A Company	6,000
Places in the B Company	2,000

a total of \$8,000
He has a loss of \$4,000

The A Company pays six-eighths of \$4,000 or \$3,000. The B Company pays two-eighths of \$4,000 or \$1,000. If, however, he only carries the \$6,000 of insurance that was placed in the A Company, the proposition will work out as follows: The A Company pays six-eighths of \$4,000, or \$3,000, and having substituted himself for the B Company, he contributes two-eighths or \$1,000.

Some people think that the clause only permits you to carry 80 per cent. to value and others that you can recover only 80 per cent. of the loss, both of which suppositions are wrong. The assured agrees to carry at least 80 per cent. to value. If he is carrying \$10,000 of insurance or 100 per cent., he will collect \$10,000 in case of total loss, or the full amount of any partial loss.

It is simple enough to comply with the clause in connection with insurance on buildings. When insuring merchandise, however, an assured should not use the clause unless he keeps a set of books and can tell at any time whether or not he is complying with his co-insurance clause, and not then unless he keeps track of his values for the definite purpose of complying with the clause.

The average clause is used where an assured has property in more than one location insured under one item, commonly known as the blanket form of coverage. The clause limits the amount of insurance in each location in proportion to the amount of insurance carried.

Specific insurance is had when a man carries a fixed amount on building, a fixed amount on furniture and fixtures, and a fixed amount on merchandise. The advisability of carrying the blanket form of coverage or specific insurance depends on the method of operating and ability to keep track of values at the various locations. The blanket form of coverage, of course, is broader, but one is required to use the 90 per cent. co-insurance clause and the average clause if the coverage is in more than one location.

The fire insurance policy used in Minnesota was written by the Minnesota legislature, and the Minnesota law provides that no other form of contract shall be used and that no clauses shall be incorporated that change the conditions of the Minnesota standard fire insurance policy unless in a form approved by the legislature. The co-insurance clause, the average clause, and certain other clauses have been approved by legislative enactment. The companies, however, when writing some forms of insurance, such as use and occupancy, and loss of rents, have incorporated restrictive clauses not specifically authorized by the legislature. The Supreme Court of Minnesota has invariably held that such clauses do not apply, and a test case is now being taken to the Supreme Court in connection with use and occupancy insurance.

THE INSURANCE COMPANY WANTS TO ADJUST FAIRLY

My last suggestion is to enter into a loss adjustment assuming that the insurance company is going to be fair.

A loss adjustment is, of course, important to a country merchant, especially if he has placed insurance with an agent who is not particularly familiar with his business. Only a few years ago most losses were adjusted by the state agents of the fire insurance companies. Several of them would visit the assured. In some cases, one state agent might represent several companies. As a matter of economy and efficiency, however, most losses are now handled for the companies by an adjustment bureau, with the result that the assured usually has to deal with but one adjuster. Practically every insurance company of good standing wishes to pay a claimant every dollar of his loss with as little friction as possible, and the representative of the adjustment bureau so understands. Suspicion and the human element, however, often enter into such transactions. The assured may assume that the adjuster will pay him as little as possible; the adjuster may assume that the assured will try to get as much as possible. In either case friction will necessarily follow.

I recall a loss of about \$200,000 in Minneapolis on a stock of merchandise highly susceptible to damage. Both the assured and the adjustment company spent about two days estimating the loss. They then met in the proprietor's office. The suggestion was made that the proprietor write on a slip of paper his estimate and that the representa-

tive of the adjustment company do the same. Their figures were within \$5,000 of each other. The \$200,000 loss was settled in less than five minutes.

If the assured has placed his business with a first class agent, he ordinarily has the advantage of the insurance adjuster. He knows all about his own stock, its value, the extent of damage, and what he can realize for the salvage. Through his insurance agent, he should obtain all necessary information regarding his rights under his policy contract. Under such circumstances, if both are inclined to be fair, the insured and the adjuster should have no difficulty. If, however, the assured is not particularly familiar with business, and has placed his insurance with an agent who is not familiar with the rights of the assured under the policy contract, it may be well for the assured to employ some one to represent him in the negotiations, either a lawyer to advise him regarding his contract rights, or an adjuster for the assured. In cities such as Minneapolis, there are men engaged in representing the assured who have suffered a loss. If the assured engages such a man who is inclined to be fair and has that reputation, he will probably feel much more comfortable. If he engages a man who has the reputation of attempting on all occasions to gouge the insurance companies, he, of course, is in for a long, hard fight, and considerable expense.

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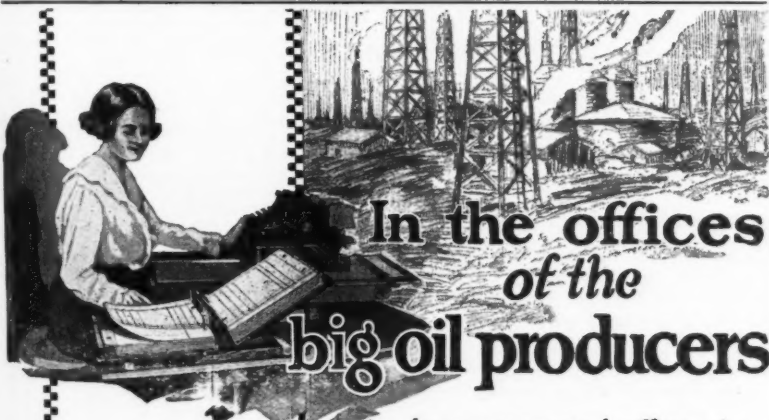
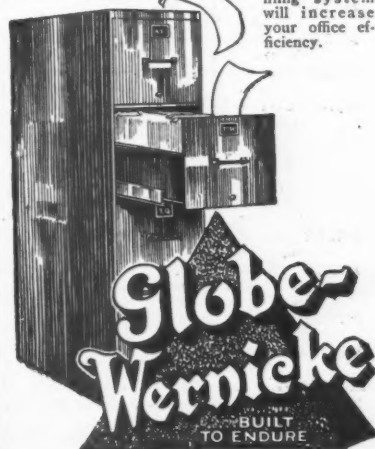
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	Personal Investigations	Friendly Adjustments	Bankruptcy	Collections
ARIZONA —Phoenix—Arizona Wholesalers Board of Trade, 410 Nat. Bank of Arizona Bldg. H. F. Allen, Mgr.; Pres. Geo. O. Miller, Arizona Hdw. Co.	No	Yes	Yes	No
ARKANSAS —Helena—W. C. French, Mgr., care Lewis Mill Supply Co.; O. V. Luke, chairman, McRae Wholesale Hdw. Co.	No	Yes	Yes	No
CALIFORNIA —Los Angeles—Los Angeles Wholesalers Board of Trade, Higgins Bldg. F. C. De Lano, Mgr.; Pres. H. Flatau, M. A. Newmark & Co.	No	Yes	Yes	No
CALIFORNIA —San Diego—Wholesalers Board of Trade & Credit Asso., 573 Spreckles Bldg. Carl O. Retsloff, Mgr.; Pres. J. M. Purdy, Wellman-Peck Co.	No	Yes	Yes	No
CALIFORNIA —San Francisco—Board of Trade of San Francisco, 444 Market St. G. W. Brainard, Sec'y; Pres. J. H. Newbauer, J. H. Newbauer & Co. Not Controlled by, but affiliated with the S. F. A. of C. M.	No	Yes	Yes	No
COLORADO —Pueblo—F. L. Taylor, Mgr., 747 Thatcher Bldg.	No	Yes	Yes	No
DISTRICT OF COLUMBIA —Washington—727 Colorado Bldg. R. Preston Shealey, Sec'y.; Chairman, W. C. Hanson, E. G. Schafer Co.	No	Yes	Yes	No
FLORIDA —Jacksonville—301 Law Exchange Bldg. A. J. Brown, Mgr.; M. S. Pollak, Chairman, care Benedict Pollak Co.	Yes	Yes	Yes	Yes
FLORIDA —Tampa—5 Roberts Bldg. S. B. Owen, Manager; W. C. Thomas, Chairman, care Tampa Hdw. Co.	Yes	Yes	Yes	Yes
GEORGIA —Atlanta—304 Chamber of Commerce Bldg. R. Y. Barrett, Mgr.; Hatton B. Rogers, Chairman, Fourth National Bank.	Yes	Yes	No	Yes
GEORGIA —Augusta—6 Campbell Bldg. W. B. Oliver, Mgr.; Milledge Murphey, Chairman, care Murphey & Company.	Yes	Yes	Yes	Yes
GEORGIA —Macon—5 Jacques Bldg. A. F. McGhee, Mgr.; C. O. Stone, Chairman, care Cox & Chappell Company.	No	Yes	Yes	No
GEORGIA —Savannah, Box 1316. H. M. Oliver, Mgr.; W. B. Stratford, Chairman, Citizens & Southern Bank.	Yes	Yes	Yes	Yes
IDAHO —Boise—Boise City National Bank Bldg. D. J. A. Dirks, Mgr.; R. N. Davidson, Chairman, Davidson & Co.	Yes	Yes	Yes	Yes
ILLINOIS —Chicago—38 So. Dearborn St. M. C. Rasmussen, Mgr.; D. J. Evans, Chairman, care National Lead Company.	Yes	Yes	Yes	Yes
ILLINOIS —Decatur—220 Milliken Bldg. H. S. McNulta, Mgr.; Chairman, A. J. Murray, McClelland Grocery Company.	No	Yes	Yes	No
INDIANA —Evansville—108 South Fourth St. C. Howard Saberton, Mgr.; Harry C. Dodson, Asst. Mgr.; A. W. Hartig, Chairman, care Hartig Plow Company.	Yes	Yes	Yes	Yes
INDIANA —Indianapolis—V. L. Wright, Mgr., 509 Peoples Bank Bldg. President, C. W. Steeg, Hugh J. Baker & Co.	Yes	Yes	Yes	Yes
IOWA —Cedar Rapids—504 Mullin Bldg. C. F. Luberger, Mgr.; F. C. Kellogg, Chairman, care Morris Sanford Company.	Yes	Yes	Yes	Yes
IOWA —Davenport—401 Putnam Bldg. H. B. Betty, Mgr.; Pres. F. L. Rae, Crescent Macaroni & Cracker Co.	No	Yes	Yes	No
IOWA —Des Moines—820-4 Fleming Bldg. Don E. Neiman, Mgr.; W. E. Muir, Chairman, care Luthe Hardware Co.	Yes	Yes	Yes	Yes
IOWA —Ottumwa—Phoenix Trust Bldg. Wm. A. Hunt, Mgr.; Chairman, J. Spurgeon, Sam Mahon & Co.	Yes	Yes	Yes	Yes
IOWA —Sioux City—601 Trimble Bldg. J. B. Murphy, Mgr.; Chairman, L. Motz, Armour & Company.	Yes	Yes	Yes	Yes
KANSAS —Wichita—901 First National Bank Bldg. M. E. Garrison, Mgr.; J. B. House, Chairman, care Lehmann Higginson Grocery Company.	Yes	Yes	Yes	No
KENTUCKY —Lexington—412 Fayette Bank Bldg. John D. Ahn, Mgr.; B. J. McGarry, Chairman, care W. T. Sistrunk & Co.	No	Yes	Yes	Yes
KENTUCKY —Louisville—45 U. S. Trust Bldg. C. A. Fitzgerald, Mgr.; Chairman, Sam J. Schneider, Belknap Hardware Company.	Yes	Yes	Yes	Yes
LOUISIANA —New Orleans—608 Louisiana Bldg. T. J. Bartlette, Supt.; George Grundman, Chairman, Albert Mackie Co.	Yes	Yes	Yes	Yes
MARYLAND —Baltimore—I. L. Morningstar, Sec.-Mgr., 301 West Redwood St.; H. W. Bennett, Chairman, care Rice & Hutchins Baltimore Co.	No	Yes	Yes	No
MASSACHUSETTS —Boston—136 Federal St. H. A. Whiting, Sec'y; Charles Fletcher, Chairman, care Cumner Jones Company.	Yes	Yes	Yes	No
MASSACHUSETTS —Worcester—Box 58. R. C. Finley, Mgr.; C. O. Zimmerman, Chairman, care Graton & Knight Mfg. Co.	Yes	Yes	Yes	Yes
MICHIGAN —Detroit—2012 First National Bank Bldg. O. A. Montgomery, Mgr.; L. E. Deeley, Chairman, care Boyer Campbell Co.	Yes	Yes	Yes	Yes
MICHIGAN —Grand Rapids—450 Houseman Bldg. F. V. Blakely, Sec'y-Mgr.; B. C. Saunders, Chairman, Union Machine Co.	Yes	Yes	Yes	Yes
MINNESOTA —Duluth—Duluth Jobbers Credit Bureau, Inc., 415-19 Lonsdale Bldg. E. G. Robie, Mgr.; W. L. McKay, Chairman, Stone Ordean Wells Co.	Yes	Yes	Yes	No
MINNESOTA —Minneapolis—The Northwestern Jobbers Credit Bureau, 238-254 Endicott Bldg., St. Paul. W. A. Marin, Mgr.; W. C. Rodgers, Asst. Mgr.; Pres. C. D. MacLaren, care Ozum Kirk Company; Paul A. Barkuloo, Chairman, McDonald Bros.	Yes	Yes	Yes	No
MINNESOTA —St. Paul—The Northwestern Jobbers Credit Bureau, 241 Endicott Bldg. St. Paul, Minn.; W. A. Marin, Mgr.; W. C. Rodgers, Asst. Mgr.; Pres. C. D. MacLaren, care Farwell Ozum Kirk Company.	Yes	Yes	Yes	No
MISSOURI —Kansas City—Missouri Valley Interchange & Adjustment Bureau, 315 Hall Bldg. A. E. Adam, Mgr.; Chairman, H. L. Miller, Townley Metal & Hdw. Co.	Yes	Yes	Yes	Yes
MISSOURI —St. Joseph—Missouri Valley Interchange & Adjustment Bureau, Office 315 Hall Bldg., Kansas City. A. E. Adam, Mgr.; Chairman, E. D. Plummer, Richardson Dry Goods Co., St. Joseph, Mo.	Yes	Yes	Yes	Yes
MISSOURI —St. Louis—510 Locust St. O. Livingston, Mgr.; Chairman, W. E. Tarlton, Brown Shoe Co.	Yes	Yes	Yes	Yes
MONTANA —Billings—Box 1184. Raymond Hough, Mgr.; A. L. Greenleaf, Pres., Northwestern Distributing Co.	Yes	Yes	Yes	No
MONTANA —Butte—116 W. Parks St. J. M. Evans, Jr., Mgr.	Yes	Yes	Yes	No
MONTANA —Great Falls—Northern Montana Association of Credit Men, 422 Ford Bldg.	Yes	Yes	Yes	No
MONTANA —Helena—9 Pittsburg Bldg. P. G. Shroeder, Mgr.; M. V. Wilson, Chairman, Helena Hardware Company.	No	Yes	Yes	No
MONTANA —Livingston—Gallatin Park Association of Credit Men, 15 First State Bank Bldg. F. J. Habeis, Mgr.; J. A. Lovelace, Chairman, Bozeman, Mont.	No	Yes	Yes	No

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ruptcy cases even though a representative of the Bureau is not Receiver or Trustee.
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NEBRASKA—Lincoln—Same as Omaha. G. E. Bockes, Chairman, care Korsmeyer & Co.	Yes	Yes	Yes	Yes
NEBRASKA—Omaha—420 Peters Trust Bldg. W. R. Bernd, Mgr.; Chairman, O. F. Lawyer, care Kirkendall Shoe Co.	Yes	Yes	Yes	Yes
NEW JERSEY—Newark—North Jersey Association of Credit Men, 287 Washington St. W. van H. Ezerman, Mgr.; T. G. Murphey, Chairman, Sherwin Williams Co.	Yes	Yes	Yes	Yes
NEW YORK—Buffalo—1001 Mutual Life Bldg. W. B. Grandison, Mgr.; Emil Wohler, Chairman, care Harvey Seed Co.	Yes	Yes	Yes	No
NORTH CAROLINA—Wilmington—The Eastern Carolina Association of Credit Men, 806 Murchison Bldg. Harris S. Newman, Mgr.-Chrm., J. C. Rice, Hyman Supply Co.	No	Yes	Yes	No
OHIO—Cincinnati—Citizens National Bank & Trust Bldg. John L. Richey, Mgr.; Edw. G. Schultz, Chairman, L. K. LeBlond Mach. Tool Co.	Yes	Yes	Yes	Yes
OHIO—Cleveland—322 Engineers Bldg. D. W. Cauley, Mgr.; Hugh Wells, Asst. Mgr.; H. V. Reed, Chairman, Root & McBride Co.	Yes	Yes	Yes	Yes
OHIO—Columbus—Central Ohio Credit Interchange & Adjustment Bureau, 514 Clinton Bldg. J. E. Fagan, Mgr.; Chairman, C. H. Benbow, Monypeny Hammond Co.	Yes	Yes	Yes	Yes
OHIO—Dayton—709 Schwind Bldg. N. F. Nolan, Mgr.; D. H. Leffel, Asst. Mgr.; F. O. Pansing, Chairman, care The Delco Light Co.	Yes	Yes	Yes	Yes
OHIO—Toledo—723 Nicholas Bldg. Geo. B. Cole, Mgr.; H. T. Fulton, Chairman, Blodgett Beckley Co.	Yes	Yes	Yes	Yes
OHIO—Youngstown—1105 Mahoning Bank Bldg. W. C. McKain, Mgr.; H. B. Doyle, Asst. Mgr.; E. J. Diersing, Chairman, Armour & Co.	Yes	Yes	Yes	No
OKLAHOMA—Oklahoma City—713 Herskovitz Bldg. J. G. York, Mgr.; W. L. Weir, Chairman, care Ridenour Baker Merc. Co.	Yes	Yes	Yes	Yes
OKLAHOMA—Tulsa—204 New Wright Bldg. W. A. Rayson, Mgr.; A. K. Dawson, care Dawson Prod. Co.	Yes	Yes	Yes	No
OREGON—Portland—641 Pittcock Bldg. O. A. Cote, Mgr.; E. Don Ross, Chairman, care Irwin Hodson Co.	Yes	Yes	Yes	Yes
PENNSYLVANIA—Allentown—Lehigh Valley Association of Credit Men, 402 Hunsicker Bldg. J. H. J. Reinhard, Mgr.; Geo. T. Haskell, Chairman, care Peoples Trust Co., Bethlehem, Pa.	Yes	Yes	Yes	Yes
PENNSYLVANIA—Johnstown—Box 905. R. H. Coleman, Mgr.; W. H. Sanner, Chairman, care F. S. Love Mfg. Co.	Yes	Yes	Yes	Yes
PENNSYLVANIA—New Castle—322 Safe Deposit & Trust Co. Bldg. Roy M. Jamison, Mgr.; W. F. Moody, Chairman, care G. W. Moody & Son.	No	Yes	Yes	No
PENNSYLVANIA—Philadelphia—Room 801, 1011 Chestnut St. David A. Longacre, Mgr.; E. A. J. Evans, Chairman, care Wm. M. Lloyd Co.	Yes	Yes	Yes	No
PENNSYLVANIA—Pittsburgh—1213 Chamber of Commerce Bldg. H. S. Keyser, Mgr.; F. M. Weikal, Chairman, care A. J. Logan Co.	No	Yes	No	No
RHODE ISLAND—Providence—87 Weybosset St., Room 32A. J. Benjamin Nevin, Commissioner; R. S. Potter, Chairman, Pawtucket Sash & Blind Co., Pawtucket, R. I.	No	Yes	Yes	No
SOUTH CAROLINA—Greenville—Piedmont Credit & Adjustment Bureau, 211 Emaxcee Bldg. J. P. Abernethy, Mgr.; Pres., Perry Woods, Pearce Woods & Co.	Yes	Yes	Yes	Yes
TENNESSEE—Chattanooga—809½ Broad Street. J. H. McCallum, Mgr.; G. W. McDonald, care Buster Brown Hosiery Mill.	Yes	Yes	Yes	Yes
TENNESSEE—Knoxville—American National Bank Bldg. H. M. Barnett, Mgr.; Chairman, W. A. DeGroat, Anderson Dulin Varnell & Co.	Yes	Yes	Yes	Yes
TENNESSEE—Memphis—610 Randolph Bldg. E. N. Dietler, Mgr.; A. S. Ullathorne, Chairman, Currie McGraw Co.	Yes	Yes	Yes	No
TENNESSEE—Nashville—805 Stahlman Bldg. Chas. H. Warwick, Mgr.; Chairman, Green Benton, J. S. Reeves & Co.	Yes	Yes	Yes	Yes
TEXAS—Austin—P. O. Box 1075. Mrs. R. L. Bewley, Mgr.; Pres., Geo. W. Tod, 120 East Fourth St., Austin, Texas.	No	Yes	Yes	No
TEXAS—Dallas—North Texas Adjustment & Interchange Bureau, Chamber of Commerce Bldg. Vernor Hall, Manager; R. M. Rowe, Asst. Mgr.	Yes	Yes	Yes	Yes
TEXAS—El Paso—Tri State Association of Credit Men, 622-3 Caples Bldg. T. E. Blanchard, Mgr.; Pres., A. A. Martin, Momsen Dunnegan Ryan Co.	Yes	Yes	Yes	Yes
TEXAS—Houston—315-16 First National Bank Bldg. Chas. De Sola, Mgr.; Chairman, W. Ed. Alexander, Theodore Keller Co.	Yes	Yes	Yes	No
TEXAS—San Antonio—313 Alamo National Bank Bldg. Henry A. Hirschberg, Mgr.; Chairman, Jake Wolff, J. Oppenheimer & Co.	No	Yes	Yes	No
UTAH—Salt Lake City—Inter Mountain Association of Credit Men, 1411 Walker Bank Bldg. T. O. Sheckell, Mgr.; Chairman, G. M. Nichols, Salt Lake Hardware Co.	Yes	Yes	Yes	Yes
VIRGINIA—Lynchburg—405 Lynch Bldg. Mrs. M. A. Blair, Asst. Mgr.; Chairman, L. P. Mann, Auld & Co.	Yes	Yes	Yes	Yes
VIRGINIA—Norfolk—A. B. Norfolk-Tidewater Association of Credit Men, 221-2 Brokers Exch. Bldg. Shelton N. Woodard, Mgr.; Chrm., A. J. Clay, Southern Distributing Co.	No	Yes	Yes	No
VIRGINIA—Richmond—6th Floor Law Bldg. Jo Lane Stern, Mgr.; Chairman, John Munce, Kingan & Co.	Yes	Yes	Yes	No
WASHINGTON—Seattle—Seattle Merchants Association, Railway Exchange Bldg. H. S. Gaunce, Sec'y-Treas.; Pres., C. L. Cragin, Cragin & Co.	Yes	Yes	Yes	Yes
WASHINGTON—Spokane—Spokane Merchants Association, 718 Realty Bldg. J. D. Meikle, Mgr.; Pres., B. L. Gordon, B. L. Gordon & Co., Spokane, Wash.	Yes	Yes	Yes	No
WASHINGTON—Tacoma—Wholesalers Association of Tacoma, 802 Tacoma Bldg. E. B. Lung, Sec'y-Mgr.; Pres., C. O. Bishop, West Coast Grocery Co.	Yes	Yes	Yes	Yes
WEST VIRGINIA—Clarksburg—Central W. Va. Credit and Adjustment Bureau, 410 Union Bank Bldg. U. R. Hoffman, Mgr.; Chairman, C. C. Gribble, Carmichael Candy Co.	Yes	Yes	Yes	Yes
WEST VIRGINIA—Huntington—Tri-State Credit and Adjustment Bureau, 1026 Fourth Ave. E. V. Townshend, Mgr.; Chairman, J. E. Norvell, Norvell-Chambers Shoe Co.	Yes	Yes	Yes	Yes
WISCONSIN—Milwaukee—1115 Wills Bldg. J. H. Marshutz, Mgr.; Chairman E. N. Kullman, Wadhams Oil Co.	Yes	Yes	Yes	No
WISCONSIN—Green Bay—Kellogg National Bank Bldg. Chris B. Dockry, Mgr.; Chairman, John Rose, Kellogg National Bank.	Yes	Yes	No	Yes
WISCONSIN—Oshkosh—Room 6-7, 76 Main St. Chas. D. Breon, Mgr.; W. P. Findeisen, Medberry Findeisen Co.	Yes	Yes	Yes	Yes

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Right Welcome, Says Atlanta

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AS plans for the entertainment of the 28th Annual Convention of the National Association of Credit men unfold themselves, the enthusiasm of the members of the Atlanta Association mounts higher and higher. Atlanta is quite aware of the splendid character of entertainment that has featured the Conventions of the past and realizes at the same time that in the matter of natural facilities she is perhaps somewhat deficient as compared with some of the larger cities where the Conventions have been held. And yet she is not in the least dismayed, but is all the more determined to make the Atlanta Convention stand out as one of the most enjoyable as well as instructive in the history of the organization; to make it indeed the "premier" convention, as Secretary Tregoe has already dubbed it.

It will be first and last and in between what might be called home-made in so far as the local aspect is concerned. Local color—that will be the keynote. There will be no imported talent—no professional entertainers. It will be distinctively "Southern" in all of its entertainment features and those who participate will be chosen from among "our own."

We feel that our best is none too good for the Credit Man of the Nation and we know of no better way to express our hospitality than to give a bit of ourselves.

I do not wish to make any invidious distinctions among so many loyal, earnest and intelligent leaders who are giving generously of their time and thought to the perfecting of the Convention plans, but it seems not amiss to mention that William L. Percy, a former president of the Atlanta Association and prominent in all Rotary activities, is responsible for the entertainment features, and that he has worked out what promises to be a perfectly splendid program, including a pre-convention Roof Garden reception, which will give those arriving on Monday an opportunity to get acquainted; a Grand Ball for the President on Tuesday night that will be unique in many respects; a watermelon cutting for Wednesday, the melons for which will be especially grown for the occasion and which have long ago been planted; an old-fashioned open-air Georgia barbecue, with lots of fun along with it for Thursday afternoon, climaxing in a water-pageant, featuring some of our fairest young women, Thursday night.

For the care and entertainment of the ladies who honor the convention with their presence, Mrs. B. M. Boykin, president of the Atlanta Woman's Club and wife of a prominent member of the Atlanta Association, with Mrs. William L. Percy as vice-chairman, and ably assisted by the wives and daughters of Atlanta Credit Men, will be responsible. Mrs. Boykin's position and the organization and facilities at her command are a guarantee that the visiting ladies will have the time of their young lives.

Is there need, Mr. Credit Man, to take up valuable space in this high-class periodical to tell you how proud we will be to have you here? It seems an act of supererogation, but for form's sake we'll say it:

Yes sir, you're gonna be right welcome and you *know* it bloomin' well!

Contents of April, 1923, Issue of

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A National Magazine of Business Fundamentals

(Member, Audit Bureau of Circulations)

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National Association of Credit Men

William Walker Orr, Editor

Rodman Gilder, Managing Editor

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Putting a Q in the Four C's

Character, Capacity, Capital and Coverage form the basis of credit. But are these four sufficient? For there is **QUALITY** in insurance!

With this in mind, consider stock and mutual insurance:

The stock company is a standardized institution. Its plan is definite and simple. It is organized like a national bank, with capital, surplus and reserves. It selects its underwritings as a bank selects its investments. It secures the needed distribution of risks by spreading its underwritings in numerous lines, in many industries and throughout many States. In every important locality its business is handled by a resident local agent, who is a trained insurance man, ever at hand to advise and serve its customers.

The mutual company is a sort of co-operative institution. It has no capital. It may or may not have proper reserves. Its plan may be any one of some 99 confusing varieties. Frequently it is limited in scope, being confined to one locality or to one industry, thereby keeping the risks close at home, where, in the event of bad fortune, they will hurt the most. It operates on the "mail-order plan," dispensing with local agents for cheapness' sake. Its customers must be their own insurance experts, and, as in a cafeteria, must wait on themselves.

Mutual insurance appeals on the score of cheapness. Stock insurance appeals on the score of security and service.

Edson S. Lott, President

United States Casualty Company

80 Maiden Lane

New York City

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EDITOR

WILLIAM WALKER ORR

Is It Safe to Abolish Tax Exempt Securities

DISCUSSION of the proposal that there be submitted to the States a constitutional amendment, which if adopted would bring to an end the issue of tax exempt securities by state and municipal communities, has shown us how sound economic considerations may be utterly opposed to equally sound political considerations.

The reasons offered for bringing the vast issues of tax exempt securities to an end are obvious. Among the most important is the fact that the ease with which tax exempt securities are sold to the public has resulted in municipal extravagance and reckless borrowing for improvements which anticipate the possible requirements of a community for a decade or two. The result has been to draw investment capital away from railroad and other productive enterprises whose abilities to serve the business of the whole Nation have fallen steadily behind as the new capital accumulations of the Nation have found their way into tax exempt securities as offering the more attractive and better protected investment.

Probably the most ardent opponents of the proposed constitutional amendment fully recognize the force of these contentions, but they point out what seems to be a fundamental political danger. With Congress given the power by a recent amendment to impose upon the people of the states an income tax, Congress would, under the proposed tax exempt amendment, be given the power to enact revenue laws so framed that they would strike a heavy blow at certain sections of the country and deal leniently with other sections.

We have seen strongly organized sectional blocs, representing comparatively small minorities, carry through legislation that is not based upon the general welfare but upon the advantage of a section or group.

It is proposed, say the opponents of the amendment, to give such blocs the most powerful weapon for forcing their demands that has ever been given them, so powerful, in fact, that it is conceivable that the very life of the Republic would be endangered; for, be it remembered, if the people feel that the sovereign right of controlling the taxing power is lost, it is conceivable that the threat of rebellion will follow.

The clash between economic and political interests involved in this vital question is sharp and clear, and it is for all to decide whether that which is to be gained in curbing state and municipal extravagance may not be accompanied by dangers too great if further power be thereby given to Congress whose decisions appear often to be the result of a bargain made to satisfy a small group which, however, is powerful enough to control the balance of power.

Improving the Work of the Credit Specialist

THE credit man who has gone to an annual convention of the National Association of Credit Men does not need to be given reasons why it is his duty to go this year to Atlanta in June. If he went resolved to get all his convention could give him, he came away a better equipped specialist in that department of business which is becoming in importance second to none. He got a grasp on facts and conditions that inspired new visions which made it easier for him to join with the other forces of his house in extending its business. And he gained a new ability in guiding sales because he now knows only a little less intimately than the salesman himself the general conditions that prevail in those sections about which the credit man, until he had attended his annual convention, had known nothing first hand.

Every man who goes to Atlanta will as a result be a better credit man. Especially is this true if he serves a house which sells in southern markets. Such a house cannot afford not to give its credit man the advantage of seeing first-hand the growing south and of knowing some of its men who are going to do their utmost to acquaint him with what they have and are.

It is as true of the credit man as of the sales manager that he may be expensive at \$2,500 a year or cheap at \$10,000 a year, if the \$2,500 man causes needless losses of \$30,000 and the \$10,000 man prevents those losses and makes \$30,000 more. The credit man who is a mere automaton may be expensive though his salary be but \$2,000. What he does or fails to do may mean a loss in profits and business of thousands of dollars compared with what is accomplished by the real credit man who makes his department the most constructive business building factor in the organization.

The house that sends its credit man to the convention of credit specialists at Atlanta in June is helping him to become a better specialist. If he makes the most of his opportunities the cost will be a mere bagatelle compared with the benefits that will accrue for years to come.

Canada's Prosperity Benefits Us

WE commonly see references to the desire of the nations of the world to cultivate a friendly relationship with the United States. But this is not a one-sided ambition. We ourselves have always been a nation broad in our friendships. Especially in late years have we sought to promote social and commercial intercourse with other nations and to gain an understanding of them.

If there is any exception to this general statement, the exception is found where one would least expect it. The exception would seem to be that country which is nearest us and with which we have in common the longest boundary line that exists between any two great nations of the world. And yet, there is no country in which we should have a greater interest than Canada. Besides the fact that we divide between us nearly all of a great continent, we spring from the same sources, we speak the same language, we rejoice in similar traditions and we cherish common spiritual and intellectual ideals.

Yet, a Canadian business leader says: "It has been with alarm and misgivings that we Canadians have watched the successful efforts of your legislators to increase the difficulties of doing business between the two countries; and I have myself wondered what the effect is to be upon the international goodwill that should exist between us. There is no doubt that these legislative traditions have curtailed trading between the two countries, but the remarkable thing is that this curtailment is found largely in exports from the United States to Canada. So far as our own country is concerned, we have but sought other channels of sale; for sales beget purchases; and no doubt that is largely the reason why our buying in the United States has so considerably decreased. In answer to the action of your legislators, we have in addition put moderate increases in our tariff against goods imported from the United States. And I should not be surprised if our manufacturers, using your high tariff as an excuse, were to bring pressure upon the government still further to increase these duties."

There are among us, apparently, those who would have Canada less prosperous, on the theory, presumably, that our prosperity would be the more firmly established. Of course, this view is not sound. Canada's prosperity will mean more to us than to any other nation except Canada itself. With the development of its resources and the growth of its population there will follow almost immediately an accelerated demand for our products, which, because they are fabricated, while Canada's exports are largely of raw products, will result in the United States getting the better of the bargain.

We do not have to cultivate friendship with the Canadian people as we have to cultivate friendship with peoples of some other nations. All that is necessary is to see that foolishly high barriers are not erected between us; and the result will be two happy and prosperous people side by side, each rejoicing in the other's prosperity and each the better because of the other's prosperity.

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